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The Week

SECRETARY Stimson has circulated to American diplomats abroad a notice that the Hoover-Stimson doctrine, which says that we will not recognize territorial or other changes brought about by force, still stands. His notification has been supplemented by a formal statement from Mr. Roosevelt that "American foreign policy must uphold the sanctity of international treaties." The publicity given the matter at this moment is apparently for two purposes. The first is to put a little backbone into the League's discussion of the Manchurian question; and the second is to try again the effect of moral pressure on Japan. But there is little reason to believe that either of these efforts will be successful. In this question the League is, for all practical purposes, Great Britain and France; and everyone knows that they will not do anything of which Japan would seriously disapprove. As for moral pressure: there is no evidence that America's position carries greater weight with Japan now than it did a few months ago. If the Far Eastern question is solved, it will be solved in the Far East, and by the remorseless march of events.

RECENT events on the borders of Manchuria are to be considered from three angles—the strategic, the economic and the world-political. Strategically the Japanese policy is clear. The military leaders want to conquer the province of Jehol, and annex it to their new backstairs country of Manchukuo, and make it subject to the shadowy rule of Henry Pu-yi, whom they have chosen to be king in the servants' hall. But they can't conquer Jehol in January. The cold this month is so intense that water freezes in the jackets of machine guns and grease thickens on the bolts of army rifles. Apparently what the Japanese are planning to do at present is merely to occupy the passes that lead northward through the Great Wall, thereby preventing the Chinese from sending reinforcements into Jehol. Later, at the end of March or in early April, when the weather is milder but the roads are still frozen so that trucks and artillery can pass over them, we may expect to hear that Japanese troops are overrunning the province. It is an arid and sparsely populated region which travelers compare to the Bad Lands of Wyoming, but it has two tempting advantages. In the first place, it contains fertile valleys admirably suited to the growing of opium poppies, from which the present military rulers of Jehol get most of their revenue. In the second place, its borders are within a hundred miles of the two great northern cities of Peiping and Tientsin. The Japanese could take these cities almost at will —and China, in past centuries, has always been conquered from the North.

STRATEGICALLY the Japanese advance has been ruthless and logical; Frederick the Great would have admired it. They have marched ahead without any concern for international law; they have slaughtered civilians along with soldiers; in Manchuria they have driven the last organized rebels across the Russian border. But Frederick the Great would not have admired the economic policy of the Japanese. As a result of military adventures, the Japanese government is now spending nearly twice as much as it takes in. The estimated revenue for 1933 is 1,330 million yen; the expenditures will be 2,235 million yen, including military and naval expenditures of 1,134 millions, almost equal in themselves to the entire national revenue. The yen has lost about 60 percent of its value since 1931, falling to twenty cents from a par of fifty. The depreciated currency has stimulated export

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trade and has produced, for the moment, a mild prosperity in Japan, but this can hardly last. Japanese exports chiefly consist of goods manufactured with foreign materials—and the more Japanese currency depreciates, the more of it will be needed to pay for imports. The Japanese militarists are thus running a race with national bankruptcy. And if their policy is disastrous from the economic standpoint, it is insane from the standpoint of world politics. One by one they are destroying the conventions which protected their country as well as others from international anarchy. By their conquests they are making possible a day when Soviet Russia and a reunited China might drive them back into the sea.

MEANWHILE the policy of the Chinese military leaders has been as devious and compromising as that of the Japanese is merciless and direct. The truth of the matter is that neither Chang Hsiao-liang in the North nor Chiang Kai-shek in the South can afford to risk defeat by a Japanese army. Chang, the son of a former Manchurian bandit, will hold power in Peiping only so long as he can pay his mercenary soldiers. Chiang, the Nationalist leader, is more concerned with his civil war against the Chinese Soviets than he is with resisting foreign invaders. Last summer his anti-Soviet campaign was not wholly a failure, but it left the Communists in control of territories having fifty million or more inhabitants; and Chinese statesmen are beginning to question whether the Communists can ever be subdued by military means. In a manifesto addressed to the people of China, the Chinese Red armies announced that they were willing to fight with government troops against the Japanese. They attached conditions to their offer—the civil war must cease, the people must be given democratic rights, volunteer detachments must be raised to fight for the independence and unity of China—and they almost certainly expect their help to be refused. On the other hand, if their offer were accepted, there is no doubt that the Red armies of the South would fight the Japanese. The Chinese Reds have the same advantage over Chiang Kai-shek that Lenin had over Kerensky: their policy is single and straightforward, whereas their opponent, in his efforts to retain power, must trim and tack, deceive his own people and depend on the support of foreign nations.

ONCE again—or perhaps it would be better to say, as usual—the Balkans are threatening the peace of Europe. Bad blood is again evident between Jugoslavia and Italy. This is partly because of overt acts by a few hot-headed patriots, partly because of the Italian proposal for a customs union with Albania. The French, who stand behind the Jugoslav government, have a special dislike for any customs union, anywhere in Europe, after having fought so hard to prevent one between Germany and Austria; and the Jugoslavs themselves object to any development which promises to prosper either the Albanians or the Italians. Meanwhile, a small hornets' nest has been unearthed by the discovery that Italy has secretly shipped a large amount of arms and ammunition to Hungary, the shipments having crossed Austrian soil en route. The entire Little Entente looks with alarm on the prospect of an Italian-Hungarian military alliance, and so, of course, does France. The Balkans are still competing with Manchuria for the honor of firing the first gun in a new world war.

MR. Hoover continues to act as though no election had taken place and he were to remain in office indefinitely. Only last week he undertook to initiate a national policy of far-reaching importance, by asking Congress to act in regard to preventing international shipments of arms and ammunition. A protocol was signed at Geneva in 1925 (but never ratified) regulating the international trade in war material; and Mr. Hoover asked that this be ratified or, if Congress is unwilling to take this step, that the President be empowered to declare an embargo in his discretion and provided that he could obtain the coöperation of the other principal arms-manufacturing countries. Mr. Hoover recognized that there was practically no hope of obtaining ratification for the convention of 1925, and centers attention upon the request for executive authority. Opponents of the measure argue that large and powerful countries would get arms in spite of the embargo, and that it would therefore only serve to render defenseless the weak and small nations. They also contend that the use of the embargo would make us a participant in every war wherever it might break out; and that the chief arms-manufacturing countries are not yet sufficiently pacifist in their policies to come into court with clean hands, or to be entrusted with the execution of a policy so far-reaching. Many peace-lovers, on the other hand, argue that our government should have as little as possible to do with disseminating through the world the instruments of murder, and contend that the United States ought to prohibit all export of arms and munitions, regardless of the course followed by any other power. Whichever position one holds, the matter is at present academic. No European power at present shows any interest in joining the United States in this policy; and Mr. Hoover has only asked authority provided concerted action is possible. The matter can therefore be left, as it should have been in any case, for the Roosevelt administration.

THAT the Philippines ought to be set free, nearly all reasonable Americans have long been in agreement. The only question is when and under what conditions this is to be done. This winter's legislation on the subject, as everyone knows, was motivated by the desire, not to give the Filipinos liberty in a spirit of justice, but to keep off the American market their products which compete

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with things produced at home. The bill originally passed by both houses of Congress is, as The New Republic has already pointed out, a bad bill. It gives the archipelago too short a period of transition, it does not protect the Filipinos' economic interests, it ties up ratification of their new constitution with the plebiscite on freedom in a highly undesirable way. President Hoover's veto of the bill was therefore, in our judgment, well justified. The only ground on which his action can be criticized is that the next Congress would write an even worse bill, which is hard to believe. At the same time, the President's veto message in our opinion went to absurd lengths in arguing against the bill, and so did the memoranda submitted by four members of his Cabinet. The bogeymen which he and they produced were all too palpably invented, not in order to get freedom on better terms, but to postpone its arrival indefinitely. The news that the Philippine legislature had agreed to reject the proposal seems to settle the question, even before the Senate's vote on overriding the veto. The matter will be left for consideration of the next—and let us hope, a saner—American Congress.

CONDITIONS in Cuba continue to drift from bad to worse. Both the tyrannical Machado regime and some of its opponents have resorted to assassination, with the score thus far heavily in Machado's favor. While his enemies have killed a scant handful of his supporters, government agents have done away with literally hundreds of those who have sought to set Cuba free. The most recent of these murders was the shooting of three young students, on the customary charge of "attempting to escape." Conditions in Cuba are now so bad that a number of American journals have commented on them; and Machado's answer has been to clap a rigid censorship on magazines and newspapers from the United States. Offending periodicals have been seized in the mail, confiscated and burned, while the Cuban press, as is well known, is now muzzled and has been terrorized by Machado for many years. Meanwhile, what does American Ambassador Guggenheim do about the brutal disregard of every principle of liberty, which is going on under his nose? Despite America's responsibility under the Platt Amendment, which pledges us to maintain a decent government in Cuba, so far as can be learned he does nothing whatever which would give Tyrant Machado a moment's uneasiness. By such a policy, of course, Guggenheim and the American State Department, which stands behind him, are in effect intervening in Cuba—on Machado's side. There is every reason to suppose that if the Cubans felt that the United States would keep hands off, they would throw out the Machado regime in twenty-four hours. It is probably too late to hope for a proper attitude from the moribund Hoover administration; but when Mr. Roosevelt gets into power, a new policy should be demanded and insisted upon. Its first step should be an investigation by the United States Congress, which should send a committee to Cuba and listen to evidence regarding the monstrous conditions there—taking precautions so that the witnesses who appeared before it would not be murdered as soon as the committee had left the island.

EXIT the National Electric Light Association. Enter the Edison Electric Institute. Some of the leading public-utility men of the United States have at last become alarmed over the unsavory reputation of their industry in the eyes of the public. The revelations made before the Federal Trade Commission of propaganda in schools and colleges, of buying college professors and newspaper editors, of falsified records and financial jugglery, caused a nationwide reaction. Since much of the dirty work was done by the N.E.L.A., the N.E.L.A. must go. The new Edison Electric Institute which will take its place will have a code of ethics and will be very, very pure. Its members will pledge themselves not to engage in underhanded propaganda. They agree not to juggle their accounts, or to permit holding companies to feed on operating properties. A company or an individual, joining the E.E.I. and failing to live up to its ethics, may be thrown out on its or his ear. This all sounds very well on paper, and we hope that it may prove to be as much as 35-percent true. It is a fact that the industry overreached itself and it has been heartily scolded for doing so by Mr. Owen D. Young and Mr. Floyd Carlisle, among others. Abolishing the N.E.L.A. is itself a shrewd bit of propaganda, an ostentatious washing of hands in public. We shall wait to see how much more it means, and we promise our readers to keep them informed. It remains true of course that no matter what they do, the utilities will not operate in a way to serve the public interests. The first duty of their directors (in theory) is to their stockholders; and whenever the stockholders' and the public's interest run parallel, it is a temporary and accidental thing.

MR. Walter Teagle, writing in The New York Times, observed the other day that in the depression

> capital has suffered along with the worker. The value of securities has undergone tremendous depreciation. Dividends generally have been greatly reduced or entirely omitted. . . . Executive salaries, with not many exceptions, have been scaled down in keeping with the times. . . . By and large, the working class, though with less margin to spare, has not suffered disproportionately with those having incomes from capital. A larger share of wages is expended on the items which have fallen about 20 percent in price than is the case with large incomes.

While it is true of course that many dividends have been reduced or omitted, and many large incomes have suffered, Mr. Teagle's general statement is simply not true. The United States Department of Commerce has assembled figures showing that

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dividend payments and interest on bonds during 1932 were actually greater than in 1928, and only about 7 percent smaller than in 1929. Wages and salaries, however, were in 1932 only about one-half of the 1928 figure. In other words, capital, as far as it could, has thrown the whole burden of the depression upon the shoulders of the workers, and it has been highly successful in this attempt. Dividends and interest have been maintained to the last gasp, no matter how many workers might have their incomes reduced or stopped. In any case, of course, it is the cruelest nonsense to assume that even a 50-percent cut in a large income means as much as a 5-percent cut in a small one. The wealthy man, even with his income curtailed, is in no danger of going hungry or ill clad or losing the roof from over his head. The average working man, even before the depression, was on so close a budget that every dollar taken away was a disaster. Walter Teagle, meet Marie Antoinette.

THE freedom with which the authorities have been able to deport Communists and other radicals who hold opinions differing from those of Secretary of Labor Doak will be considerably extended if the Dies Bill passes the Senate. It has already passed the House and is on the Senate calendar with a favorable report. The bill, according to the American Civil Liberties Union, which is endeavoring to arouse popular sentiment against it, greatly extends the present definition of Communism and sets up mere doctrine as a ground for deportation. An alien professor lecturing on Marxian economic theory could be deported under a strict interpretation of the new law. The bill, moreover, refers only to the overthrow of non-communist governments and thus gives full protection to any individual or group that would seek to overthrow any government not definitely capitalistic. It grants the authorities untrammeled powers of deportation, mere membership in the Communist party being sufficient ground to send an alien back to his own country. There is grave danger that the Senate will pass the bill, and since we can scarcely depend upon a presidential veto, every effort should be exerted to kill it now.

Would Currency Inflation Help?

AS PREDICTED by many observers months ago, the longer the depression continues, the stronger becomes the popular support for some type of inflation. Senators have been holding up bills on other subjects in order to compel Congress to move in this direction. The political proposals now have in view chiefly an inflated currency rather than inflated credit. They range from remonetization of silver and reduction of the gold content of the dollar to stamped scrip and "bond money." It may be enlightening to dig back of the specific proposals to their common basis. What are they supposed to accomplish, and why? Can they accomplish it? What are their dangers?

What is inflation of currency? Any nation on the gold standard promises to redeem each unit of paper currency with an amount of gold fixed by law. In order to do this, the banks of issue or the Treasury (if money is printed by the government itself) are compelled to retain fixed amounts of gold in reserve. If currency is printed which is not redeemable, or is redeemable by a smaller quantity of gold than has previously been the case, it is ordinarily called inflated currency.

What is its purpose? The object of those who propose inflation of currency is to put more money in circulation and raise prices. It is obvious that, at present, people have not enough purchasing power to buy the goods that can be made. It is also obvious that business and trade would benefit if prices started to rise. If people had more money to spend, prices would probably begin to increase. Proponents of currency inflation therefore favor printing some form of money which, because it does not depend on the customary methods of issue, can be forced into circulation when these appear to fail us.

What is the difference between inflation of currency and inflation of credit? Expansion of credit occurs when businesses or individuals or governments borrow more. The more they borrow, the more they spend. Expansion of credit is therefore one way to put purchasing power in circulation and increase prices. Incidentally, it usually involves an increase in the money in circulation as well. But a large percentage of the payments in a country like the United States are made, not with currency but with checks, drafts and other credit instruments. Therefore an expansion of credit would be much more efficacious for the objects in view by the inflationists than an inflation of currency. Indeed, many experts doubt whether any readily conceivable printing of currency would be sufficient to have much effect. Another difference between the two is that credit inflation involves the creation of debts which have to be repaid, while currency inflation does not. This may make credit inflation easier to check before it goes too far; but if the desired object is to increase purchasing power without increasing debt, currency inflation may serve the purpose better.

Why has inflation of credit not worked during the depression? The Federal Reserve Banks have, ever since the early part of 1932, adopted a policy calculated to stimulate expansion of credit. By buying and holding large quantities of government bonds, they have increased the credit resources of the member banks by billions of dollars. But this

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policy has, so far, resulted in almost no expansion of loans by the banks. Some say this is because the banks are so frightened that they will not lend, but prefer to keep a high degree of liquidity at all costs. Others say it is because business has no sound prospects on which it can safely borrow. It is to be noted, at any rate, that our lack of purchasing power does not arise from any lack of credit resources. Nor does the smallness of the amount of currency being spent arise from any lack of gold. The banks have abundant reserves, and could expand both credit and currency enormously if our economic system made more use of their services. So far as the banks are concerned, there is not the slightest need to disturb the existing gold standard. You could permit the banks to issue money against air, and it would make no difference, because they have not issued nearly all the currency they might issue against present legal reserves. The money is not being utilized by those who might obtain it through ordinary business processes.

How could inflated currency be put in circulation? It is clear that if banks are not lending as much as they are permitted to lend under present laws, and are not issuing as much paper currency as they are permitted to issue, no change in the legal basis of the dollar would improve the situation so far as they are concerned. Any new kind of legal currency would have to be issued and spent by the government itself in order to get into circulation. (Of course various kinds of scrip have been printed and distributed by local governments or barter exchanges, but these require no federal legislation.) The federal government, however, could put much more of the existing money in circulation if it would borrow and spend more. The question therefore is, first, whether the government should spend more, and if so, whether it should spend by means of borrowing or by means of printing some new kind of money which it does not have to borrow. Advocates of an enlarged program of public works have been arguing that if the government spent a great deal more it would put money in circulation, stimulate employment and tend to increase prices. Opponents of this policy have argued chiefly that it is unsound because it would require greatly enlarged federal borrowing. It may be contended, therefore, that currency inflation is desirable as a means of carrying out an increased program of governmental spending without increasing the public debt.

Would governmental spending of inflated currency be dangerous? If a government spends by borrowing, many of the results of credit and currency expansion may take place. If it borrows and spends enough, purchasing power in circulation will increase and prices will rise. (This happened during the War.) Inflation may proceed a long way, under favorable circumstances, without any change in the legal basis of currency. But if a government spends only what it can borrow, there is a check on the process somewhere. Eventually it begins to worry about its credit, or lenders do so. It stops expanding its borrowing, and checks its spending. But if it resorts to printing currency, regardless of the amount of gold on which it is based, there is no theoretical end to the process until prices reach astronomical heights and money becomes worth virtually nothing. This happened in Germany and other countries after the War. The chief danger of currency inflation is that it can be carried too far. It may be desirable to increase the purchasing power in circulation and raise prices up to a point where economic activity is "normal." But it is difficult to identify that point when it is reached, or to stop there—the same danger exists, of course, to a limited extent in credit expansion, even when credit expansion is the result, not of governmental spending but of business activity. But credit expansion turns into credit contraction and deflation before the extreme limit of inflation is reached, if fiat money is not resorted to.

Can this danger be avoided? Theoretically it can be avoided, by placing a limit on the amount of new currency to be printed and spent. This limit may be placed by the new basis of the currency (as in the case of silver) or by the spending program itself. There is nothing intrinsically dangerous about expanding the purchasing power in circulation, or increasing prices, while we are in a depression, provided a stop can be put to the process. But in practice it is difficult to adhere to such a limit when the time comes. Once a really inflationary movement gets started in our uncontrolled business order, it is likely to go on of its own momentum until it crashes. The government, for instance, finds it difficult to collect enough in taxes to meet its obligations when prices rise too rapidly. It is therefore tempted to print more money. Inflation is a vicious circle, just as deflation is.

Is control of currency or credit a real preventive of the extremes of "prosperity" and depression? We do not think so. We believe that those who argue for more purchasing power in depressions and less in booms are mistaking the symptom for the disease. What they want is desirable, but it can be assured only as a consequence of dealing with more basic matters. Though it may provide emergency relief to pump more money into a sick economic system, this is neither a permanent remedy nor a safe one in the long run. What really counts is the distribution of purchasing power, the balance of prices, incomes and production, and the relationship of credit and investment to these other things. Only a system which governed in the common interest all these factors, which now are left to the vagaries of private enterprise, could exercise expert and salutary control over the amount of purchasing power in circulation.

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The Kreuger Case Again

WITHIN the last week, information has been made public from several sources regarding the tangled affairs of Ivar Kreuger. The Banking and Currency Committee of the United States Senate has taken some testimony on the subject; Price, Waterhouse and Company, the official auditors, have reported on their findings, and the trustee in bankruptcy for the International Match Corporation has revealed some of his negotiations.

While from none of these sources has come important new information, the details now afforded help to round out the picture of Kreuger's astonishing career. They show all sorts of important financial people, both here and abroad, amazingly gullible in their dealings with him—this being particularly true of Lee, Higginson and Company, who floated his securities on the American market. All told, Kreuger got away with just about three-quarters of a billion dollars, nearly all of which is gone forever. Of this sum, Kreuger himself stole at least a hundred millions, and much of the remainder has gone in the depreciation of various properties in the depression. It is possible of course that some of his associates are concealing important assets, which may or may not be recovered. In essence, Kreuger was just another Ponzi on a larger scale. During the whole period of his spectacular career, his properties earned not more than an average of 1.5 percent; supposed earnings of four to five times as much were paid, but they were paid out of capital. Yet Kreuger managed to conceal the true state of affairs not only from Lee, Higginson and Company, but from the New York Stock Exchange and everyone else. He actually floated bonds in the United States which at first had behind them French government bonds as security, but with a proviso that he could at any time withdraw these French bonds and replace them with any government bonds from any part of the world, provided only that they were earning, at the moment of exchange, a specified rate of interest. It is hard to speak moderately of the financial incompetence of those who blandly sold these so-called securities to the American public.

One of the mysteries regarding Kreuger's death remains a mystery still, despite the efforts of the Senate Banking and Currency Committee. We do not refer to the legend that Kreuger never committed suicide at all but is alive today and in enjoyment of his huge stolen fortune—a tale for which there seems to be no valid support. The mystery of which we speak has to do with the suppression of the news of his death for hours after it had taken place. During that time somebody sold Kreuger securities in large amounts, getting out of the market before the debacle. The world would like very much to know who was able to dictate to the French police that they must keep secret the news of this extremely important suicide. Who sold out and thereby saved his money? Did anybody sell short, thereby making a neat profit out of the general disaster?

Americans are interested in still another unanswered question: why has there been no criminal prosecution of any of Kreuger's associates in this country? There are the best of reasons to believe that ground exists for such prosecution, at least in certain instances. Yet not one step has been taken in that direction. If any investigation has been conducted by the United States Attorney or any other official of the law, it has been kept singularly secret. All the facts thus far revealed have been brought out either by the peculiarly feeble investigation by the United States Senate, or by private individuals concerned only to save from the wreck as much money as possible for themselves or their clients. Every disclosure of wrongdoing thus far has been blamed on Kreuger alone—and Kreuger is dead. There is as much reason for the United States Attorney's office to act in this case as in that of Insull; yet no action has been taken. Is this, possibly, because of the size and influence of some of the financial institutions whose improper acts would be revealed by such a criminal inquiry? One is reluctant to assume so; but it is hard to see any other explanation for the facts.

Americans are notorious for their reluctance to cry over spilt milk. A witness before the Senate Banking and Currency Committee last week argued that there was no point in trying to modify the law to prevent another Kreuger scandal, because Kreuger was one of those super-crooks whom the law cannot thwart, and since it is unlikely that another rascal of his sort will come along for some time, the law might as well be left as it is. More stupid nonsense than this has rarely been heard. The British almost never experience anything resembling a Kreuger scandal, because of an excellent law which safeguards the issue of new securities. There is no reason why the United States should not have a similar law; and an excellent preliminary would be a complete sifting of the Kreuger case, inflicting proper punishment on every criminal, no matter how big and important he may be.

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The High Cost of Economy

THE National Economy League is using the best advertising technique to lay before the country a certain set of figures; it is not the purpose of this article to question the accuracy of the figures themselves, but rather to explain their meaning in the light of twentieth-century economics. The literature of the League declares that the American tax bill, fifteen billion dollars, which would have been only 16 percent of the national income of 1929, is one third of the national income of 1932. From this fact there result two corollaries: The first, which the League emphasizes, is that out of every dollar which the American citizen pays out, thirty-three cents are paid directly or indirectly to governments, local, state and national. The second, which the League ignores, is that out of every dollar which the American receives in these difficult days, thirty-three cents come to him from the government in the form of interest on bonds or payment for services or supplies.

The literature of the League elaborates upon the first of these corollaries with a rather naïve statistical device. Dividing the total tax figures for the country by the number of families, it proves that the average family is paying $500 a year to the government. Using bond-issue totals in the same way, it concludes that each household lives under the shadow of a $1,000 share of the government debt. But the same figures, treated by the same statistical method, reveal the corollary fact that the average American family is happy in the possession of one $1,000 government bond and that each household receives, on the average, $500 a year from the government!

Although these interesting corollaries have not been advertised by the League, they are already familiar to the business community. Landlords throughout the country regard teachers and policemen as more desirable tenants than machinists or office workers, because they are not so likely to fall behind in their rent. The direct-mail advertisers turn to the educational directory and the civil-service list with the assurance that here, at least, some buying power has remained intact. The League's statistical method of quantitative analysis, applied to this situation, leads to the conclusion that, since one-third of the family income arrives in the mail as a government check, one-third of the sales in department stores are made to persons who pay with money received from the government, one-third of the stockings woven in Paterson, one-third of the shoes made in Lynn, are bought with money that has passed through government hands.

Business is so much in need of stabilized marketing conditions that enlightened industrial leaders will not knowingly seek to destroy that buying power which has in fact stood up best under the present adverse conditions. Yet the Economy League counts it a grievance that government activities have not shrunk with the declining business index.

The crude catchword, "reduce government expenditure," as a program for American business is a danger to the interests it seeks to protect. It lays down a program adapted to conditions which have ceased to exist in all countries of advanced economic structure. In all previous ages, from the Later Roman Empire to the England of John Stuart Mill, excessive taxation has interfered with prosperity by cutting down the resources available for production. But today the crux of the economic problem is the organization of consumption, not the stimulation of production.

The World War increased productive capacity to unprecedented levels, drafted women into production and stimulated consumption habits which for a while outran the capacity of the world to produce. The requirements of post-war reconstruction gave a still greater impetus to productivity till it seemed that the entire population of all advanced countries could have enough things to satisfy all their legitimate wants. It was in the light of such expectations that Hoover made the tragic prophecy which had such ironic repercussions during the recent election. The paralysis which overtook world industry, seen from the standpoint of any particular industry, appears as overproduction, but, viewed from the standpoint of economy as a whole, is simply the consequence of the diversion of too large a proportion of the resources of the country to the production of goods, too small a proportion to the consumption of goods.

The "high wage" doctrine in America, the increasingly lavish appropriations for advertising, the appearance of propaganda urging people to spend, not save, and the advent more recently of a flock of crack-brained proposals to compel spending—a law to force men to wear hats, a law to compel everyone to spend 90 percent of his income—all mark stages in this process of shifting emphasis from production to consumption. Coolidge, with his doctrine of prosperity founded on mere niggardliness in personal expenditure, seems already an archaic figure. The mind of the decade is turning to the problem of the best use of leisure, recognizing that less and less effort will be required to keep the technical machine moving. The fear is that the outlet, the market, will be the point at which the economic machine will be continually slowed down, and that productivity, capable of increasing at a geometrical rate, will be forced to adapt itself to a market that can increase its consumption only at an arithmetical rate.

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This condition of affairs puts taxation in an entirely new light, for taxation and government expenditure provide a forced market which can be kept open when other outlets are closed. In its relation to business, government operates in two ways: it places a minimum fixed charge on property, and insists that at least that modicum of activity be kept up which will be sufficient to meet this charge. It thus prevents a complete withdrawal from activity which might ensue if the business man could free himself from all expenses. Secondly, the government takes charge more and more of those activities which mark the progress of civilization; consequent upon this is the fact that the personnel of the government is employed chiefly in activities only indirectly related to production. Most tax money goes for consumption.

The National Economy League visualizes one aspect of this problem of increasing consuming power in the emphasis which it places on the tax burden borne by the average family. If, however, government expenditures are reduced without regard to whether their ends serve production or consumption, the results will merely divert the market of consumption, not add to it. In so far as tax money is paid out in wages and pensions, it goes back immediately into the market for consumption goods. The only tax money that is held out is, presumably, some of that paid as interest on public bond issues.

The program of the National Economy League, if it should succeed in curtailing the present activities of the government and preventing their expansion, would threaten to prevent that kind of collaboration of business and government from which the past era of prosperity was derived. For the great boom of the twenties was based upon the automobile industry, and the expansion of the automobile industry would have been impossible without large-scale public construction of surfaced roads. The roads and the cars, from the user's standpoint, were as much an inseparable unit as railway trackage and rolling stock. Neither could be used effectively without the other. It was a wise division of labor which left the manufacture of the cars to private industry and let the government build the roads. The two branches of the industry kept in step with each other. In 1904 when the automobile industry was building twenty-five million dollars' worth of cars a year, the annual expenditure for public roads was less than a hundred millions. By 1925 the automobile industry had increased its production to three billions a year, and the public roads were costing a billion and a half. Out of every dollar the consumer paid for motor transportation, he was spending thirty-three cents for taxes to pay for the roads. There were twenty million cars, worth about $18,000,000,000, on the road, and the total value of the surfaced highway (exclusive of city streets or value of right-of-way) was just over $8,000,000,000. One-third of the total investment was in roads, two-thirds in cars. Every dollar's worth of road was making possible two dollars' worth of cars.

Other periods of expansion have been materially assisted by government aid. Railways in the great railway-building age received in some countries gifts of public money, in others, large loans, and elsewhere, extensive grants of public lands. The building industry of the late twenties received no small part of its impetus from government projects, including a large amount of school building. The radio industry could never have developed without government regulation of the air.

If there is to be a new wave of prosperity, based upon some new industry—something that will be to the future what radio, automobile and railway industries have been in the past, the extension of industry will undoubtedly require a coördinate extension of government activity. If there is in prospect a season of activity based upon the gigantic housing plans, or more effective coördination and planning within the existing industrial establishment, it is certain that the role of the government in these developments will be greater, and not less.

It goes without saying that all expenditures of money and effort, whether by governments or individuals, should be directed with wisdom. The exact amount of government expenditure needed to stabilize market demand, to restore economic activity, cannot be determined arbitrarily nor measured in superficial slogans. Is the index now too high? Probably not. Industrial leaders who embark hastily on the crusade to reduce government expenditures will find that they have not advanced far on the road to a positive policy of national economy. Instead of dodging a responsibility, they will only more definitely have assumed it. It seemed for a while that the impact of the crisis would bring about a constructive area of planning, stabilization and social insurance which would lift private business to the level of security of government. Now the country is confronted with a campaign to reduce government to the level of insecurity of business. This is indeed the anticlimax of depression economics.

ROBERT C. BINKLEY AND
MERVYN CROBAUGH.

Winter Roads

Winter's roads are hard to tread,
Yet one who stoutly goes,
Along the stiffening air may catch
The rumor of the rose.

Such a wayfarer troubles not
If nigh or far it be:
Across a stripped field to a house,
Or the length of a sea.

Wind-torn, come back, he lifts his eyes,
To find not less, but more;
Hot from the rumbling golden cart,
Auriga at the door!

LIZETTE WOODWORTH REESE.

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Hull-House in 1932: II

HULL-HOUSE, though professing no faith, though affiliated with no party, has always been open to them all. Tonight it is the meeting-place of a convention of unemployed groups presided over by the Socialist, Karl Borders, Chicago secretary of the League for Industrial Democracy.

As the depression continues, the need becomes inescapably acute for the unemployed to organize and insist upon relief. At the beginning of October, the Chicago Emergency Relief Commission announced that grocery orders which had been intended to cover two weeks must be made to last a month. The relief was meager already, and in Chicago and Cook County there were 135,000 families dependent on it. The Socialists and the Communists summoned each other to a demonstration. The Communists, fearing that the Socialists were about to issue such a summons, hastened to send one out themselves, and the two arrived almost simultaneously.

This demonstration accomplished its purpose, and it was significant from the political point of view. It is perhaps the only large effort of the kind in which the Communists and other elements have worked together. This was arrived at, however, with much struggle. Karl Borders, who had organized a Workers' Committee in collaboration with non-Socialist social workers, had intended to keep politics out of it and to have the demonstration confine itself to obtaining the withdrawal of the relief cut. Their demands were to be those of simple citizens appealing to their elected authorities. But the Communists objected to a phrase in a statement prepared by the Socialists which complained that, "our representatives have failed us": they protested that they were far from regarding the authorities as their representatives. Also, why shouldn't they carry political banners?—Why shouldn't the Socialists carry theirs, too? There was something much bigger involved than the withdrawal of the relief cut and why wasn't this a good time to declare it?

A compromise was reached by a committee in which both parties were represented: each group should march under its own banner, but they should refrain from direct political propaganda, especially in the use of names of candidates for political office. The Communist leaders of the Unemployed Councils violently objected to this, but agreed not to oppose it at the next meeting.

The next meeting, however, a general conference in the New England Congregational Church, proved to have been staged as a big Communist show. Some seven hundred delegates from some three hundred and fifty organizations were present: besides the Communists and Socialists, there were representatives of A. F. of L. locals, of Amalgamated Clothing Workers' locals and even of the Khaki Shirts. But the Communists had packed the house with all their subsidiary organizations which go under non-Communist names and they were able to elect against Borders a Communist chairman of the most turbulent kind, who opened the proceedings by denouncing the Socialists and calling Borders a "betrayer of the working-class." These tactics were designed to produce a split and alienate from the Socialists a group of left-wingers called the Workers' League, led by Proletarian party members and Trotskyites. The Communists jeered and booed, demanded that political banners be carried. The members of the subsidiary organizations each produced a dollar bill and noisily accused the other groups of being unwilling to contribute to the expenses. But the attack was ill timed and inept. Instead of causing the Workers' League and the other non-Communist elements to distrust the Socialist leadership, it antagonized them against the Communists. The social workers were horrified and outraged by the hideous insults of the Communists —especially one lady who had been interested in a garment workers' union that the Communists had broken up—and were all for having nothing more to do with them. Some of the Communists themselves had qualms and felt that the situation had been mishandled.

But Borders refused to be put off. He is a short, gentle, stubborn man, with a clear gray eye and small mustache—the kind of serious middle-class radical who especially infuriates Communists. Originally trained for the ministry, he has passed through various phases of social service and only recently joined the Socialist party. He remonstrated with the indignant social workers, Socialists, Farmer-Laborites and Workers' Leaguers, urged the superior importance of getting relief over the quarrels of political factions, and persuaded most of the groups to stick. The small committee voted two to one against the carrying of political banners. The Communists refused to comply; and the matter was left there.

The day for the hunger march, October 31, was discouragingly rainy and cold. Yet some 20,000 people turned out. The Communists claim that 85 percent were recruited by the Communist Unemployed Councils; the Socialists, that the Unemployed Councils made up only about half.

Up to the last moment, the morning of the march, the city had refused a permit. Innumerable delegations had pleaded in vain with Mayor Cermak. Finally he was given to understand that the demonstration would be held anyway, and reminded that just before election as it was he could hardly

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afford to risk unpopularity by appearing in an illiberal light. The permit was immediately granted.

The marchers assembled at three different points on the North, South and West sides and, converging at Market and Randolph Streets, marched along Randolph to Michigan Boulevard. In the dark streets of the Loop, the rain was pouring, and everybody got soaked. People with only one pair of shoes, and those likely to be old, risked pneumonia. When they got to Michigan Boulevard, they were halted by a cordon of police who blocked the road and tried to drive them on to the east sidewalk. The use of the east sidewalk was all that their permit allowed them; and the Socialists were in favor of obeying the permit, but the Communist leaders locked arms and led the column against the police, who gave way without resistance. One policeman pulled a gun, but his captain ordered him to put it up. They began to clear the traffic for the marchers.

The people on the sidewalks were amazed. The marchers called to them, "Come out and join us! You'll be with us soon—why don't you come now!" Ladies in furs are said to have been seen weeping. A Communist climbed a lamp-post and waved the red flag and no attempt was made to pull him down.

They ended in Grant Park and made speeches. Their handbill had stated their demands as follows: "Over 750,000 of us are jobless. Only a part receive relief. Children faint in school from hunger. Hundreds of workers are being evicted. Gas, water and electricity are being shut off. Single workers are herded into flophouses. Conditions grow worse daily. The Relief Commission has cut grocery orders 50 percent. This means hunger, disease and death for thousands. . . . The ruling classes propose ways to make the workers bear their own misery: dividing jobs, work at employers' wages or no relief, forced contribution to charity, and now the sales tax. They say there is no money, BUT:

"There are funds for junketing trips to Europe.

"There is $80,000,000 for Mr. Dawes' bank.

"There is money for guardsmen to shoot striking miners.

"There is ample cash for war preparations, for slaughter—but only a miserable dole for the battle against starvation. . . . All out against starvation! No cut in food! No evictions! Cash relief! (minimum of $7.50 per week for families; $5 per week for single workers). Gas, water and electricity! Medical and dental care! Clothing for all! Lunch and carfare for school children!" The Socialists, according to a previous agreement, did not go beyond these demands, and were heckled and booed by the Communists, who then proceeded to make speeches attacking them.

The united front was thus preserved in the teeth of strong objections from both parties. But it had achieved a unique success: the Emergency Relief Commission withdrew the 50-percent cut and arranged, in accordance with the marchers' demands, that single men should get one day's work a week and be paid for it $4 in cash instead of being shut up without work in the flophouses. The city was afraid of riots.

And the clash between the Socialists and the Communists has agitated and stimulated both parties. Neither group is quite sure which has had something put over on it by the other. The Socialists have been aroused by the challenges and taunts of the Communists and are sometimes heard nowadays to preface statements with "as our revolutionary friends would say." The Communists claim all credit for everything: if, they say, they had followed the law-abiding methods of the Socialists, if they hadn't defied the authorities at every turn, there would never have been any demonstration. When the school teachers who hadn't been paid by the city for six months had wanted to parade last summer and the city had refused them a permit, they had taken it lying down because there were no Communists among them. Nevertheless, the failure of their tactics, at the conference in the New England Church, the obstinacy of Borders and the resentment of the Workers' League, have given them seriously to think. There is much internal discussion about it, and in the November number of The Communist the editors have gone so far as to print two divergent statements of views by Communists who were present at the conference—endorsing the more uncoöperative line as "correct," but reprimanding in an editorial the "sectarianism" which "is fearful that if we come into the same room with Borders, we will lose our Communist purity."

The editors of The Communist make the following interesting comment:

> This struggle around the Chicago unemployed united-front action gives us an opportunity to give a lead on this question to the entire party in every locality. Undoubtedly this is an illustration of the main danger in the development of our work. At the same time we must recognize that it is most sharply in Chicago that this main danger has come forth. We don't hear about it so much anywhere else. Why? Because in almost every other locality the movement is so paralyzed by sectarian tendencies that they cannot arrive at the level of struggle to face such problems.

Another result of the demonstration has been that Karl Borders has called a conference of the non-Communist unemployed groups in other cities. Thirty-five organizations are represented: there are old Wobblies from Dayton and Detroit, a Musteite from Youngstown, the militant Chicagoans of the Workers' League. Among them are a Negro, an Italian, a couple of Swedes, three or four Jews.

Borders begins by announcing that the time has definitely come to think about a new social order, a coöperative commonwealth. We have been tending to take the attitude that if things go on long enough and get bad enough, the revolution will eventually ensue. Hence, the time has come to try to educate people—our enemies call it propaganda but we call it education—it comes down to the same thing: putting our ideas in logical sequence to the

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minds of the unemployed. He doesn't say social insurance is futile, but unless we're set on the road to a new social order, it doesn't mean very much in the long run. We've called the conference, therefore, to try to find some guiding principles on the basis of the largest common denominator. We no longer have faith in rugged individualism: we are going to try to organize for coördinated effort.

A film is shown which Borders and a young professor of Economics from the University of Chicago have prepared for educational purposes: Hoover's prophecy of 1928 of a chicken in every pot and a car in every garage; an empty garage with a chicken in it; a dismal group of unemployed; the surplus of food and the hungry; the Chicago skyline; wealth and power; homeless men drinking water that leaks out around a main and drips through earth contaminated with privies; Diego Rivera's mural of a middle layer of miserable unemployed between a top layer of towering skyscrapers and a bottom layer of vaults filled with gold; shacks in vacant lots made of packing-boxes, new modern German working-class houses; a child left on a bus by its father, who afterwards couldn't bear to abandon it and came to the police station where it had been taken and allowed himself to be arrested; 200,000 boys under twenty-one wandering around the country; 10,000,000 unemployed; suicide during the last three months increased 33 percent in New York; the gigantic iron robot of technological advance driving the tiny human being before it; 1923-29: bigger wages but fewer people getting them; relief compared to unemployment: putting out a forest-fire with a wineglass; a stein of beer also inadequate as an extinguisher; we must organize our resources to get rid of the profit system!

After this, the delegates of the groups discuss their common problem, a Workers' Leaguer with an intellectual forehead and traces of a British accent objects to the suggestion of another speaker that university professors be invited to lecture to their groups: the workers, he fiercely declares, must develop their own teachers out of their own rank and file. A tough-looking Wobbly from Dayton who went to Leavenworth during the War aggressively retorts that his organization has invited some professors to address them and that "we ignorant working-stiffs hope to be able to understand them!"

They exchange stories of their successes. A movie theatre in Burlington, Ohio, which was unfair to union labor, got out an injunction against picketing: but the unemployed organization recruited twelve hundred people and sent them out thirty at a time till the jails were overcrowded and they had to stop arresting them. In Belmont County, Ohio, committees of unemployed used to call on the county trustees just before dinnertime. When the family would remark it was dinnertime, the callers would say they were sorry, they'd forgotten—they never had any dinners nowadays, so dinnertime meant nothing to them. The people they were calling on would then have to ask them to stay, and the trustees quickly granted relief. A young Workers' League man with thick black hair growing back in a mane from his forehead and dark angry eyes behind glasses, a face of determination and some power, tells how the Workers' League picketed one of the Chicago relief stations for the repeal of the 50-percent relief cut: they stayed there eight days and a half, sleeping on the benches at night. They had, also, with some Socialists from the University of Chicago, picketed the Tribune Building in protest against an editorial perhaps unparalleled for idiocy and rawness by any paper of similar prominence. A delegation of unemployed had visited the Emergency Relief Commission, and The Tribune, it appeared, disapproved of their having ever been received: they should have been told "to take their hats and clear out." "Proposals were impertinent. The facts are ugly, but there is no point in disguising them. . . . It was their duty to support themselves and their families and in addition to help support the common government. For one reason or another, they have failed to make the grade. . . . The assumption of the spokesmen . . . that they are entitled to support by right and to levy the taxes which support them in idleness . . . if it is allowed to go unchallenged, will place a premium on incompetence, laziness and shiftlessness. It is the dictatorship of the proletariat without a revolution." When the cops had taken the picketers' banners away from them, they had chalked phrases from the editorial on their coats with, "Workers, this is what the capitalists think of you!" The Tribune had then printed another editorial, reiterating the opinions of the first. "I consider," says the angry young man, "that we made a clear gain! We forced the enemy to a clear statement without applesauce!"

A Lincolnian-looking man from Terre Haute, very earnest and grave, tells of an unemployed cooperative there. They have a small mine, 365 acres of corn. They run it on the principle that "if you don't work, neither shall you eat." They consider themselves in the kindergarten stages of the cooperative commonwealth and they are developing discipline and initiative so that when the time comes they will know how to take care of the situation!

Here are three dozen nuclei of workers taking form in the Middle West and trying to unite for common action. Here are a variety of native radical elements unassimilable by the Communists. Here perhaps are scattered seeds of a new American labor movement.

The Communists have been excluded from this conference: but at one of the meetings it is suddenly discovered that the demon Communist chairman of the big pandemonium meeting before the hunger march has mysteriously popped up among them. Borders quickly eases him out. In the radical politics of Chicago, Borders is to the left of the social workers; the Workers' League is to the left of Borders; and the Communists are behind the whole procession, prodding, treading on heels and setting coattails on fire.

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They decide to call it the Federation of Unemployed Workers' Leagues of America. They debate whether to include the farmers, where the farmers stand; and finally give it up.

Miss Addams listens a while. She has been worried about not having been able to give them a very good dinner and has gone out and bought up the coffeecake and doughnuts of several railroad stations so that they can have some refreshments later on. Do the activities of Hull-House today seem to her even more futile than they did during the depression of the nineties? To an enthusiastic young man who had formerly taught in a fashionable school but who announced that he was going in for relief work, she said simply: "Yes, relief work is taking up some of the slack of the technicians."

One of the young women who has been helping with the organization of the Workers' Committee has come to realize with surprise that "there is a real prejudice against social workers." She was somewhat dismayed to find herself marching in a parade that carried Communist banners, but it had given her a tremendous lift: so much so that it wasn't till it was all over that she realized how tired she was.

The Communists have been after Miss Addams, too, but have made no headway with her. She says that one of them talked very well as long as he stuck to his regular line, but that when she asked him specific questions it seemed to break him up.

EDMUND WILSON.

This is the second of three articles on Chicago, of which the third will appear next week.—THE EDITORS.

I Was an Ad-Man Once

IMAGINE, if you can, the New York of 1913. A young man just out of college is laying siege to the city desks of the metropolitan papers. He has good legs, but his past record includes nothing more substantial than having been fired out of college, and having worked during vacations on a small-city paper upstate; also on a Munsey-owned Boston paper. It was the last count that did for him. He couldn't laugh that off anywhere, and funds were getting low.

Finally, a relative gets the young man a job as copywriter in an advertising agency, housed near the Battery in an ancient loft building which has since been torn down. I continue to use the third person, because the period is remote, and at this distance both the person and his actions seem a little unreal. The young man doesn't know anybody, or anything much. At that time he hadn't even read H. G. Wells's "Tono-Bungay." But he is full of fervor. His father was an Irish Fenian who believed to the end of his days that the world was just on the point of becoming decent and sensible, and the young man, to tell the truth, has never quite triumphed over that paternal misapprehension.

In those days business had pretty well beaten the muckraking magazines by the painless process of joining them through the business office. But the old Masses was going full blast, and the blond beasts of The New Republic were about to launch their forays on the sheepfolds of the Faithful.

The young man is already a socialist, in sympathy at least. But life is real and landladies are earnest. The young man is hungry. He has a job now and he is taking no chances. He is assured that at the end of the month he will be paid sixty dollars for his services, in negotiable currency. It is up to him to earn that sixty dollars. He is young and energetic. During the economy wave under which Mr. Munsey extinguished The Boston Journal, he, a cub reporter, has covered as many as three supposedly important assignments in one day, being obliged, of course, to steal or fake most of his facts.

The young man is given his first advertising-copy assignment: to write some forty advertisements commending a certain brand of agricultural machinery about which he knows nothing whatever. The young man takes off his coat.

Now the mists begin to clear. The young man was real. He was I. The facts are as stated.

I wrote those forty advertisements in three days, with my eye on the clock. Three days is 10 percent of thirty days. Ten percent of sixty dollars is six dollars. Were those forty advertisements a big enough stint to earn those six dollars? Trembling, I turned in my copy . . . it was enough for a year.

The copy was fully up to current standards, too, as advertising copy, although of course it went through endless meaningless revisions. As news and information it didn't, at the time, seem to me to be worth the price. I still don't think so. But in those three days I learned all that any bright young man needed to know about the mysteries of advertising copywriting in order to earn, in 1929, not sixty dollars a month, but a hundred and sixty dollars a week. I say this in the teeth of the Harvard School of Business Administration, the apprentice courses of all the agencies, Dr. John B. Watson and the old sea lion in the Aquarium to whom, in my dazed and shaken condition, I turned for comfort and understanding.

The Aquarium was close at hand. During the

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noon hour I would sit on a bench in Battery Park, eating my necessarily frugal lunch of peanuts and chocolate, and then spend the remaining half-hour wandering among the glass cases and peering at the fishes, which peered back at me with their flat eyes and said nothing. Sometimes one of them would turn on his side, his gills waving faintly. Nothing to do, nowhere to go. We cried our eyes out over each other, I and the other poor fishes.

Then I discovered the sea lion, which occupied a big pool in the center of the main floor. The sea lion, I soon became convinced, had some sort of an idea. There was a slanting float at one end of the pool. He would start at the other end, dive, emerge halfway up the float with a tremendous rush, and whoosh! he would blow water on the mob of children and adults who crowded around the tank. Always they would shriek, giggle and retreat. Then, gradually, they would come back; the sea lion would repeat the performance with precisely the same effect.

It has taken me years to understand that sea lion. I know now that he is an advertising man. Recently I became acquainted with his human reincarnation, one of the ablest, most philosophical and best paid advertising men in New York. If there is a "science" of advertising, he has it. Yet his formula is very simple. It is this: "Figure out what they want, promise 'em everything and blow hard."

This philosophical ancient is greatly valued as an instructor of the young. His students are very promising, although some of them are not wholly literate. He is, however, indulgent of their linguistic defects, remarking kindly: "What are a few split infinitives between morons?"

In the annex to the Aquarium where I served my advertising apprenticeship there were many mansions, housing as varied a collection of the human species as I have ever encountered together in one place. Through a stroke of luck, the agency had started with a nucleus of important accounts and expanded rapidly. Its owner, a quiet Swede who never, to my knowledge, while I was in his employ wrote a single piece of advertising copy himself, became a millionaire in a few years. He was, then, an economist, a research expert, an executive of tremendous driving power? Not so that anybody could notice it. His success is quite unexplainable in terms of logic or common sense. I think he was just a "natural." Also, he played golf well, but not too well. Puzzling over this phenomenon, I remembered hearing the socialists tell me that there is no sense in trying to make sense out of the people and institutions of our chaotic capitalist civilization.

Nevertheless, the boss was a natural. Either by shrewdness or by accident, he gathered into his organization a considerable number of able and interesting people. They didn't know much about advertising. Nobody did in those days. Six months after my initiation, the company moved to a neighboring skyscraper, and the expanded copy staff soon numbered eight people. We all sat in one large room. By right of priority, I had a desk next the window where I could look out and watch the ferry boats swimming about like water beetles and the little tugs pushing liners out to sea, as ants push big crumbs. They seemed so earnest, so determined. . . . Every now and then an office boy would stroll by and deposit in my basket a yellow printed form with here and there a little typing on it. The form called for one, two, six or twelve advertisements about a certain product, to fit specified spaces in certain scheduled publications. Usually the form was destitute of other information or instruction. I think, although I am not sure, that those forms were the bequest of an efficiency expert who functioned briefly during the early months of my employment. He was a tall, gangling man, with a high white brow, a drooping forelock and a rapt and questing eye. He dictated inspirational talks to his stenographer. While so engaged, he would pace up and down his office and quite literally beat his breast. In fact, he had all the equipment of a medicine man except the buffalo horns and the rattlesnake belt. It was he, I think, who started the idea of timing and systematizing the copy production of the office. Years after he had left, unfortunate copywriters were still digging the splinters of that system out of their pants.

You got a yellow form, then, which required that you write so many pieces of copy and turn them in by a certain date. What kind of copy? The form was silent. The headline goes at the top, the slug at the bottom, and what goes in between you rewrite from a booklet or make up out of your head. It frequently seemed to me that one advertisement would do exactly as well as six, but I always wrote six. Anything to keep busy. There were never enough yellow forms. Sometimes, unable to control my restlessness, I would wander upstairs, knock on the door of the account executive and ask mildly if anybody knew anything about that product or what it was supposed to be used for. I knew that many heavy conferences had preceded the planning of the campaign. But the decisions reached in those conferences never seemed to get typed on that yellow form. Usually I got nothing out of such interviews except the suggestion that I do some more like last year's, or that an ad was an ad, wasn't it, and I was to have six done by Friday. Such admonitions were heartbreaking. The ads were already done. Nothing to do now except to stew miserably in the juice of my frustrated energies.

In time, merciful nature came to my aid. I, who was normally articulate, as even a cub reporter has to be, found that writing even a six-line trade-paper advertisement cost me intolerable effort. My brain wouldn't function. My fingers were paralyzed. I was fighting the cold wind of absurdity blowing off the waste lands of our American commercial

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chaos. The workman in me had been insulted. Very well, then, he would strike. I dawdled. I covered reams of paper with idiotic pencilings. I missed closing dates and didn't care. My fellow copywriters, suffering the same tortures, would go out and get drunk. One of them, in fact, who had genuine literary talent, ultimately drank himself to death.

Since I was still a virtuous youth, I had no such escapes. Even my health, which had been excellent, was shaken. I began mumbling to myself on the street. Once, for three weeks, an office associate converted me to Christian Science. If, instead, he had been a Holy Roller, I would have rolled for him cheerfully.

The workman in me was paralyzed. Even when, outside the office, I tried to write poetry and plays, the words and ideas stared coldly at me from the page. But the reformer in me still lived, and was shortly to have his inning. The house acquired as a client a company manufacturing a proprietary remedy. As it happened, it was an excellent product, which, minus its proprietary name, was much used and recommended by the medical profession. There was my chance. I would make the advertising of that product honest. I did make it honest, for a while. I had every word of it censored by representative medical men. I fought everybody in the office, singly and in groups. I was obsessed, invincible and absurd.

But the client became impatient—sales weren't growing so fast as he thought they should. He hired as advertising manager an experienced and entirely unscrupulous patent-medicine salesman—a leather-hided saurian who scrapped all my carefully censored copy and furnished as a model for future advertising an illiterate screed recommending the product, by implication, as a cure for everything from tuberculosis to athlete's foot. I threw him out of my office. I rushed over to the client and talked very crudely to a very eminent gentleman. Even that wasn't enough. I considered blowing the works to the organized medical profession, although I never actually did so. Instead, I wrote a furious and entirely unactable play about a patent-medicine wage slave who went straight and took a correspondence course in burglary.

I wasn't fired, although logically I should have been. The President of the United States had just declared war, and in the confusion I escaped into the army as a buck private. Even the War, I thought, was more rational than the advertising business. I was wrong, but that is another story.

I was an ad-man once. Indeed, I am, in a small way, an ad-man still, although I no longer carry a spear in the monotonously hilarious spectacles which the orthodox priesthood continues sweatingly to produce in the Byzantine, Chino-Spanish and Dada-Gothic temples of advertising which crowd the Grand Central District of New York.

I have, however, an office, a motto—all the accouterments. My motto, "the less advertising the better," appeals poignantly to certain eminent industrialists to whom I have talked. My sales argument goes something like this:

"Mr. Hoffschnagel, you and I are practical men. I don't need to tell you that advertising is not an end in itself. Neither is selling. The end, Mr. Hoffschnagel, the true objective of the manufacturer and dispenser of products and services, should be the efficient and economical delivery to the consumer of precisely what the consumer wants and needs: what the consumer needs to buy, I repeat, not what the manufacturer needs to sell him. In any functional relationship between producer and consumer, advertising and sales expenditures are just so much frictional loss; in the ideal set-up, which of course we can't even approximate under present conditions, released buying energy would be substituted entirely for the selling energy which you now spend in breaking down 'sales resistance.' My task, therefore, is to redefine and reinterpret your relationship with your customers; not to pile up sales and advertising expenses"—Mr. Hoffschnagel nods energetically—"but to cut them. What do your customers want from you? Service! What do you want to give them? Service! Not advertising—the less advertising the better—that's just so much friction and loss. But service! The end, Mr. Hoffschnagel, the end is service!"

Mr. Hoffschnagel meditates, while as if unconsciously his hand strays to the right hand drawer of his desk.

"Have a drink," says Mr. Hoffschnagel.

It is possible to get a good deal of hospitality in this way, and even some business. Sometimes, as I listen to myself talk, I sound like one of these newly spawned capitalist economic planners. I am not. I know, or think I know, that the advertising business, approximately as is, with most of its wastes and chicanery intact, is woven into the very fabric of our competitive economic system; that the only equilibrium possible for such a society is the equilibrium of accelerating change, with the adman's foot on the throttle, speeding up consumption, preaching emulative expenditure, "styling" clothes, kitchens, automobiles—everything, in the interest of more rapid obsolescence and replacement. It is possible to build and, after the inevitable crash, to rebuild such a system. It is not possible to operate it sanely, because its underlying philosophical and sociological premises are disingenuous and insane. When one attacks the "keeping-up-with-the-Joneses" American psychology which is the stock in trade of advertising, one is virtually attacking the foundation of American "prosperity."

Nevertheless, since it begins to appear unlikely that the fundamental disequilibrium of our system can be indefinitely continued in the modern world, it would be, perhaps, not a bad idea, if ad-men removed their tongues from their long swollen cheeks and tried talking approximate sense for a change.

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It wouldn't do much, if any, immediate good, of course, but it might provide a desirable mental discipline, a kind of intellectual preparation for the severer disciplines which the future may hold for the "profession."

Even there I may be wrong. Maybe it is necessary for the ad-man to believe in his racket; or if this is impossible, it may be necessary to breed a special kind of alleged human who *can* believe in it. Indeed, I have been told that some such eugenic experiments are already under way in some of the larger agencies.

One's view of the matter depends largely upon one's guess as to the nature and tendency of the American mob. The other day I went down to the Aquarium to visit my old friend the sea lion. The crowd was as big as ever, and his act hadn't changed. Dive, emerge and whoosh!—the crowd still scattered, giggled and applauded.

JAMES RORTY.

Washington Notes

The Next Cabinet—Norman Davis in the State Department?—All Chaos along the Potomac—Will Congress Abdicate?

AS THE session drearily drags along and the day for the incoming of the new administration approaches, the President-elect still keeps his hands off the direction of Democratic policy in Congress, and keeps his own counsel as to his Cabinet. As regards the latter, I think he is wise, even though he may have—and probably has—determined in his own mind whom he wants for most of the posts. The point is that announcements made now may interfere with changes that seem desirable later either by reason of pressure for recognition from the unrecognized or suddenly developed unavailability in the case of one of the chosen.

Most Presidents, so far as I recall, delayed the official announcement of their Cabinets until the last possible moment. This has not in the past prevented, and this time will not prevent, most of the selections from being known well in advance. It is hardly possible to wait until a few days before March 4, and then ask a man to be Secretary of State or Secretary of the Treasury or Attorney-General. There are, of course, a good many men who would find ample time to adjust their private affairs and be sworn in fifteen minutes after being asked. But these are hardly the men, I think, whom he would want. Ordinarily any man fit to hold an important Cabinet post is entitled to be asked at least two or three weeks in advance, in order that he may make the necessary arrangements to leave private life and assume public responsibility.

It may be assumed, therefore, that before he leaves on his February deep-sea yachting trip, Governor Roosevelt will have invited the men he desires for the more conspicuous positions in his official family and have received their acceptances. Very quickly after that the news will leak out. The steps necessary for a severance of private commitments tell the story, even when the family of the chosen man does not—and I have never known an instance when the family refrained from confidentially imparting the secret to a few confidential friends.

But although there is every reason to believe that the key men of the Roosevelt Cabinet will be known definitely within the next two weeks, they are not known today. I do not merely mean that they are not publicly known: none of the men really close to Roosevelt here in Washington has any knowledge which he is keeping to himself. The same thing is true of the New York advisers to the Governor, who come here for conferences. They can eliminate for you one after the other of the more conspicuous party personages, but their affirmative information is neither concrete nor specific.

Interest here is chiefly centered upon the new Secretary of State, though in my judgment the Secretary of the Treasury will have the more important and certainly the more difficult job. In connection with the former, an interesting story has reached Washington concerning Mr. Norman Davis, whom some of the wiser political birds have picked for Secretary of State, as the one available man left after eliminating Owen D. Young, B. M. Baruch and Newton D. Baker, against the selection of all of whom plausible and rather convincing reasons are advanced. The report, as I get it, is that during the recent conference between the Governor and Mr. Davis, the former made some tentative suggestion about Mr. Davis's returning to Europe immediately so as to enter into confidential conversations over there with certain men, as Roosevelt's representative rather than Hoover's. This, I am told, Mr. Davis said he would not feel like doing unless he were going to be Secretary of State. To that delicate hint he got no direct reply; Mr. Roosevelt smilingly—it is always smilingly with him—shifted to another subject. If this story is true—and I am inclined to believe it is—it does not necessarily mean that Mr. Davis will not be appointed. On the other hand, only an optimist could be greatly encouraged.

Since the conference of Democratic leaders with Mr. Roosevelt a week ago, the complete futility of the present Congress has become more firmly assured. As things appear now, literally nothing will be done. The Democrats having scuttled their own proclaimed program of income-tax increases, are at the moment utterly devoid of any legislative plan whatever, and are united only in opposition to Hoover's budget-balancing recommendations, which include the manufacturers' sales tax and a reduction in the cost of veteran compensation.

The clownish Huey Long of Louisiana, who monopolizes more of the Senate's time than any other member, seems to have successfully sidetracked the Glass banking reorganization bill, for which the financial interests in the East were clamoring, and at this writing neither the domestic-allotment farm-relief proposal or the beer bill seems certain to get by. To make additional confusion, the Eighteenth Amendment repeal proposal has come out of the Judiciary Committee in such a shape as to be really abhorrent to genuine Wets, and yet it is apparently supported by the bulk of the Democratic Senators, despite the fact that it conforms far more closely to the Hoover-Mills Republican plank than to the unqualified-repeal pledge of the Democratic party and candidates.

Altogether things seem in a devil of a mess. The Repub-

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licans, stripped of power and responsibility, are gleefully goading the new congressional leaders and planning to reorganize their party publicity department with high-powered experts of the Michelson type, in order to take full party advantage of the exhibition of incapacity which they anticipate in the special session—about the avoidance of which no one now even talks. The progressives, sad to say, seem disorganized and without a program. Rampant individualism has again broken out among their leaders, and the opportunity is lost to call public attention to the inert and inane tactics of the two older party organizations at a time when the country needs clear-headed coöperative action more than it has in a great many years.

As for the Democrats, they have fallen back on the beer bill and the Byrnes resolution conferring dictatorial powers upon the incoming President to prune appropriations, abolish departments, merge bureaus and suspend departmental functions. They pretend to feel now that if they can accomplish these two things before March, their full duty to the country will have been discharged and they, and the rest of us, can look forward with hope and confidence that the Happy Days will soon appear.

The powers proposed under the resolution are sweeping and unprecedented; probably they would not stand a test of their constitutionality. Mr. Roosevelt could remake the governmental machine almost from the ground up. It is now said that he even could trim the veteran-compensation appropriations, though the veteran organizations are being assured by their House and Senate friends that such is not the case. However, if governmental reorganization on an economical and efficient basis is to be effected at all, it will have to be done through an abdication of its authority by Congress in favor of the President, and this, in effect, is what this Byrnes resolution proposes. Congress, no matter how strongly prodded by the White House, will never do the job by itself. Mr. Hoover was right when he made that assertion.

Washington. T. R. B.

The Sword Dance

Thunder! In golden clamor they tread the clouds
Dancing, a burnish of youths. Their changing lusters
Move in a tumult of light, their pointed swords
Touch to the sound of rain, broken by thunder.

Swift armor is chiseled in gilt mythologies:
Gorgeous their cuirasses—less bright than the gleaming
Ankles, the golden thighs than the leaping knees.
Their eyes are alight, their mouths are a shout, they
are demons.

All have one age, not one of them but is young:
Vying in violence, they conflict without anger,
Triumphant in thunder. They are dead, being deathless,
and strong
As we dying are not, who are deaf to their clangor.

Thunder! They dance with swords. Their comeliness
Is unchanging; wanton, their thighs are still to garner.
They turn like one form in a circling abyss of glass
Reflecting the burning feet, the less bright armor.

JOHN PEALE BISHOP.

Good Hope Notes

MR. ROBERT EDMOND JONES, whatever his reflections may be at the moment, may take no little consolation from his achievement at Radio City. During the summer he assumed the position of art director for the great Music Hall there; it was his place to design and supervise the entire visual side of the entertainments planned. As everyone knows, the very first bill served to finish the project; the Music Hall has already passed to the uses of moving pictures and vaudeville, and with that the resignation of Mr. Jones would almost automatically ensue. To a fine theatre artist, in décor preëminently but not without gifts both luminous and shrewd in the theatre as a whole, a mind seminative to a degree, beautiful in its reach and rich in its culture, a resource and invention generous and plentiful and far-reaching, such an experience cannot be valueless. Certainly it was by no means so to us.

As one of the fruits—that most accessible to us—of this venture of Mr. Jones' we have some of the décor that went into this first Music Hall bill. The use of light and many other fine points about this visual aspect of the production may be taken for granted, as familiar and expected from this designer. The settings for the "Carmen," a condensed version of Bizet, with Miss Coe Glade of the Chicago Opera, came off very handsomely; neither the settings nor the costumes could be taken for granted from any artist in the modern theatre. The little group of houses, the palish blue sky with its slight streams of clouds, curiously and subtly Goya, was admirable for the opening scene. The air of it and of the last setting were Spanish, with that difference in color, in pigment almost, and in combinations and tone that nobody has been able to describe but that makes the Spanish so distinguishable among palettes. If Miss Patricia Bowman, the première danseuse, showed no conception of what her costume was about, the costume itself, light blue, of satin, the cut a variation on the Andalusian, was a brilliant motif, as were those Andalusian dresses in ginghams, which in their combination and bold rightness went as far as costume design can go. The setting for this last scene, outside the bull ring, I thought one of the finest things in Mr. Jones' career. A fling of windows at the left, with window cushions and ladies looking on the scene where the crowd, the pageant of the bull-fighters, their horses, the ring attendants, the death of Carmen, were to be. At the back a high wall. It was painted in a mixture of red, brown, sultry pink, with white and Naples yellow mixed in for the lighter values; but these colors were not seen singly as they sound thus listed; the whole surface appeared to be one color unified into one pulse, out of which the variations in value and tone appeared, all of it one mood of troubled magnificence. The curving entrance gate was framed with a baroque pattern of lines in thin black; the curtain of it was based on the Spanish yellow and red, with white, all of it tempered to the wall. I am trying, though hopelessly, to record a superb piece of theatre art that already has passed from view.

The character of this design derives from Mr. Jones' settings for "The Birthday of the Infanta," the ballet with music by Mr. John Alden Carpenter, which the

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Chicago Opera Company brought to New York ten years ago. This later design seems to me even better than the other, with more ease in its somber fluency, and its dramatic statement more splendid and immediate. In this character of design Mr. Robert Edmond Jones is, so far as I know, unique in the entire modern theatre. It is, also, the sort of thing that makes Mr. Jones' almost total absence from the stage of the Metropolitan Opera House so absurd a scandal in the present regime.

Uday Shan-Kar and his company of Hindu dancers and musicians at the New Yorker Theatre are to be seen and to be thankful for as one of the things in town that try at least for the beautiful. I saw this entertainment fresh from my visit to the lounge of the Music Hall in Radio City, that space downstairs, with its murky carpets of a general brindle hue, its dull walls and dusky lighting in the midst of which stand the wide pillars of sooty black mirrors, and all of us promenading up and down, drabbed, dimmed and blurred to a prospect of untidy creatures of some dun excrement swimming in a dirty goldfish bowl. In certain of our dancing apostles and entertainments the thing forgotten is that, though many fulsome medical emotions, writhing pathologies and surging, hitherto suppressed states of the soul may have the same claim to beauty as any of the more familiar subjects of the beautiful, endorsed by centuries of reflection and response, the fact nevertheless remains that these new, once unheard of, strong, subtle, private or seemingly sordid things are, like all things, beautiful only through what is beautiful in the dancer's mind. *Age quod agis,* according to Vergil, do what you do. It might be better, then, perhaps, to say that in this Hindu dancing the shine and beauty come more directly into the dancer's aim. I got no impression of authority in the art of Uday Shan-Kar. It seemed to me rather one of those instances of an art softened and rethought—imaginatively translated might be a better word—into the uses of peoples for whom the art in its original rigor and essence would be strange. The quality of Uday Shan-Kar is not commanding nor has it the austere challenge of completely another language of forms. But it is a quality gentle and masculine; and at its best moments—for there is no severe equality inch by inch through his dancing—it arrives at a kind of soft abstraction of mood and a lovely poetry. The costumes are an enchanting revelation. They have first an effect of shimmering unity, after which you seem to find phase after phase of surprise and decorative invention, all beautiful and fresh. The music that his musicians play is alone enough to make for an event.

The Aguilar Lute Quartette at Town Hall, January 14, is another of those occasions whose critical recording springs pleasantly from their mere occurrence. There is no dancing, of course, that can exhibit the precision and choice phrase of such a performance as this; the nearest rival must be Vicente Escudero from the Aguilars' own Spain, and it is only when there is no expressive miming or drama but solely the grounded, traditional dances that Escudero comes into his exact finality. From Casals' playing, for instance, from some of their modern compositions—which without it might otherwise be slight—from the Aguilar Quartette, it would seem that in the Spanish there is a kind of mathematics that contains the excitement of exact rhythmic form and the control of robust emotional force. I have asked myself what part taste plays in all this, and whether this impression of taste I sense in Spaniards is strong brains, strong pride, strong passions working together. Is this Spanish quality—so indescribable—a form of some ultimate vitality, by which the parts are easily ordered into some delight and life, as the body's organs are perfectly scaled to their functions; is it abundance within a pattern; the very bones of abstraction, as it were?

At any rate we have plenty of admirable music about us no doubt, a season of it. I am no musical critic and it does not matter what I think; and so I can say that, though I know where to find a good deal of great music in which the human soul, storming, heroic, tragic, poignant, shows itself full of drama, militancy, nostalgic katabolism, I do not know very often where to find this peculiar Spanish articulation and distinction that the Aguilars present.

The program for this occasion, all Spanish, included "La Oración del Torero," by Joaquin Turina, "Las Doncellas" —"Rigodón," "Zarabanda," "Giga," "Fandango"—and among other compositions a group by Albéniz.

Of the Piccoli at the Lyric Theatre there is little to say except that they are the wittiest, most expert and most varied piece of theatre art to be seen in New York. These marionettes from Signor Podrecca's Teatro dei Piccoli in Rome present, as everybody knows by now, a series of operas, ballets, buffo numbers, impersonations and burlesques, speaking, dancing, singing, posturing in the due course of the performance. "The Barber of Seville," "The Bull-fight," "The Concert Party," the acrobat, the tropical revue, are almost equally applauded.

It is a pity, perhaps, that some of the young people among these puppets could not have their just advancement on Broadway. If one of them, say, could only boast, as certain of our glorified artists do, a staff of enthusiasts, three sugar daddies and one unidentified man, as someone put it, and so progress to her name in lights and her place, with gowns, shoes, dance and song, at the front of the stage; or if the Impresario would do nothing about it but leave a little manly head in the solidity or void native to it, and let it move onward thus toward musical comedy and the films! It might mean a real change for the better. But such eternal blazon cannot be to ears of flesh and blood. Alas, Signor Podrecca's intelligence, alas, a pretty puppet's ligneous virginity!

On the surface of this puppet entertainment lies a hint of all the genius of the Italian theatre's history, the forms that arose in Italy, that variety in commedia, vaudeville numbers, masks, types, scenarios, music, words, dances, operas, an inexhaustible fertility of invention, improvisation and popular tradition, from which the whole northern theatre derives. Behind this show of the Piccoli lie the Italian mechanical gift, the physical patience they have often brought to what is only in part the facility it appears to be, the Italian instinct for the theatre as a thing of pleasure and abundance, easy spontaneity and an easy place amid its audience, and, as the case may be, a swift poetry or travesty or grotesque of life. Artistically these Piccoli remain sound by being always puppets, never a complete illusion of reality; their craft and technical brilliancy is only a source of wit;

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so that they remain an honest medium for whatever matter the artist behind them wishes to create.

STARK YOUNG.

Among the Novelties

THE RECENT Ravel is a musical Parnassian, and with a vengeance, too. If it is not possible to conceive of him saying to the world, with Leconte de Lisle,

Je ne te vendrai pas mon ivresse ou mon mal,
Je ne livrerai pas ma vie à tes huées,
Je ne danserai pas sur ton tréteau banal
Avec tes histrions et tes prostituées,

it is not for the reason that the sentiment of the old leader of "Le Parnasse contemporaine" does not perfectly fit his mood these latter years. It is merely because the characteristically Parnassian reticence and taste for neutrality, impersonality, objectivity, appear to have been exaggerated in him to the point of an aversion from any sort of exhibition of intensity of feeling and concern. They would scarcely permit him to be lyrical even about his own reserve, or prove favorable to any communicancy more declarative than a most discreet smile.

Discreet smiles are certainly the better part of what Ravel has been giving us in the form of music since the War. His new concerto for piano and orchestra, performed in New York for the first time by Sylvan Levin at the second of the Philadelphia Orchestra's concerts, but continues the series of ironic, slightly mocking and enigmatical compositions begun by "La Valse" and inclusive of "Tzigane" and the "Boléro." Like its immediate predecessors, the concerto is the result of the composer's choice of a musical pattern not of his own invention: the pattern of a virtuosic and more or less frivolous and drawing-room type of composition, itself more prescriptive of archness and cleverness than of lyricism; and of the rigorous accommodation of his own feelings to its mold. The concerto presents us with a sort of ideal portrait of "the true concerto, the brilliant work, aiming less at profundity than at setting in relief the virtuosity of the pianist"; precisely as "La Valse" presented us with the ideal portrait of the Viennese waltz, and "Tzigane," that of the virtuosic fiddle-piece *à l'hongroise*. It is ornate, percussive, brilliant. If the middle movement contains an arialike theme of Ravelesque subtlety, the showy and Saint-Saens kind of music nevertheless preponderates. All is prettiness, adroitness, *appogiaturas*, jazz, wit—and detachment and masklike impenetrability. The little concerto diverts, even dazzles, the technical ear; but in the end, like its predecessors, leaves us unsatisfactorily facing the visage of a composer smilingly indicative of his determination never, never under any conditions, to confess his soul to the unspeakable world again.

And, like its predecessors, it leaves us wondering whether so Parnassian a pudicity may not very directly flow from a state of having nothing in particular to reveal.

Excessive reticence is not the main characteristic of Ravel's compatriot, Florent Schmitt, who recently made his first New York appearance in a program of his own music under the auspices of The League of Composers. The very antithesis of it forms his hallmark. The designs of the "Finale" for 'cello and piano, of the "Légende" for saxophone and piano, and the quintet for piano and strings, chief numbers of his introductory concert, were cluttered up with notes and disagreeably effusive and multiloquent. With the exception of one neat song, "Tristesse au Jardin," everything on the program, and especially the quintet, conveyed the state of emotional confusion which, incapable of projectivity, takes sentimentally to pursuing feeling as an end in itself. Thus it would appear that, quite like excessive reserve, effusiveness, too, might be the result of a composer's want of something particular to say. The exhibition of poor M. Schmitt is all the more grotesque for the reason that he came to us on a sort of culturesque embassy from a country whose spokesmen long and loudly have averred that its geographical confines form the home of reserve and of good taste.

An amusing instance of "die neue Sachlichkeit," the name given by the Germans to the aim of certain contemporary artists who desire to pour their content of experience into the forms cast up by the life about them without changing the general character of these artless molds, came to light at the first orchestral concert of the Pan-American Association of Composers. This was a cantata for contralto and orchestra called "Those Everlasting Blues," the work of a young Brooklynite named Jerome Moross. In it, the composer has given a poem by Alfred Kreymborg a musical setting which very cleverly preserves the type of a Negro music-hall blues. It has the blues rhythm. The voice chants, on guttural tones. Percussion taps occur regularly throughout the piece; and the brasses contribute flutter-tongue effects. But the cantata is something of an experience besides; and exhibits a certain musicianly adroitness. The beginning, with the unsupported chanting voice, is very effective. So, too, are the *pizzicatti* of the strings; the artfully delayed climax; and the close, where the orchestra unceremoniously breaks off as the voice part ends. For the composer, this abrupt termination has a reason entirely unrelated to its startlingness. Music for him is the connection of a musician with some sort of a line progressive in things themselves. And it was his intention to indicate by this sudden stop that he himself had merely ceased from hearing, while the line continued.

And if the music of the three Latin Americans, the Mexican Revueltas, the Brazilian Villa-Lobos and the Cuban Caturla, played at the Pan-American concert which included the Moross cantata, left the largest impression of any compositions performed that evening, it was by no means because the works of the North Americans presented were intrinsically inferior. Besides "The Everlasting Blues," the program contained a part pathetic, part satiric and very fine and moving little orchestral piece by Ives called "Washington's Birthday," and two new and fairly representative compositions by Cowell and Riegger: "Polyphonica" and "Dichotomy." Indeed, if the Latin representatives shone, it was largely because of the special spirit manifest in them, and its good promise. The three compositions are quite dissimilar. Revueltas' "Colorines" attests the exemplary weight of his neighbor Chavez's spare, laconic, Indian music: still, it has a stinging sonority and

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gong-resonance of its own. Villa-Lobos' "Choros" (Opus No. 7) combines post-Wagnerian opulence with popular Brazilian rhythms; nevertheless, it is a fine, thick, jungly piece, full of brassy melodic boa-constrictors writhing amid impressionistic vegetation. Caturla's "Primera Suite Cubana" is popular in inspiration, taut and magnificently colored: Caturla appears to be a first-rate "vulgar" composer. But all three works, the Villa-Lobos and Caturla numbers in particular, are lively, earthy, pungent; evidently the expressions of musicians deeply rooted in their soils, stimulated by their lives, and getting a contact with things through their native idioms. Music-making apparently is still a spontaneous activity for these Latin Americans. Thus, one not only basked in their spontaneousness, animation and lushness of feeling, characteristic of much Latin American music while rare in this "intellectualizing" north. Instinctively, one's interest turned to the Latin continent, in the joyous conviction that an immense deal of all immediate musical future lay right there.

PAUL ROSENFELD.

CORRESPONDENCE

On the Brink of Socialism

SIR: Mr. Herman Shenan's article in The New Republic of November 2, 1932, unwarranted and written without sound knowledge of facts, verges on the very brink of socialism. Instead of causing an antagonistic feeling in the South, as proposed, this article is looked upon with extreme disgust by the people, and considered as written by a prejudiced mind with a trend toward communism.

Had Mr. Shenan stopped to consider facts before writing this slandering, biased, critical piece of propaganda, perhaps he would have realized that if his viewpoint is correct, most of all of our really great men must come under the head of his so-called "poor white trash." Mr. Shenan has severely criticized the late Mr. R. J. Reynolds as being one of the illiterate poor whites that came from the tobacco fields as a poor tobacco picker. With the evidence of Mr. Reynolds' great success and rise to fame staring him in the face, I cannot see how he can take the place of a cynic. Rather I should think he would praise Mr. Reynolds for his accomplishments, and give him due credit for his achievements. Mr. Shenan should stop to consider that Abraham Lincoln, one of our greatest Presidents, came from nothing and had no education. Is he also to be classed as "poor white trash"?

The ill feeling that now exists betwen the North and South may largely be attributed to the attitude taken by such men as Mr. Shenan. As long as the North takes this cynical, unjust attitude, there will never be harmony. Should the narrow, ignorant view of a few cause this unnecessary antagonistic feeling or shall we overlook this communistic streak and consider it as merely unfounded reasoning from a warped mind?

High Point, N. C. JAMES EDWARD COOK.

[Our correspondent from High Point obviously refers to the article on the Libby Holman case by Vincent Sheean, a well known magazine writer and the author of "Gog and Magog," "The New Persia" and "An American among the Riffi."—THE EDITORS.]

Electricity Costs

SIR: With respect to the article "Paying Too Much for Electricity," by Morris Llewellyn Cooke, in your December 21 issue, there is no quarrel with Mr. Cook's title nor his general thesis, nor is there any defense of the utilities implied in this inquiry. But the article would be more convincing to the general reader if he cleared up a couple of questions. I am not much of a mathematician, but in sums under six cents I am probably as good as the average.

Mr. Cooke says that the cost of current ready for delivery is one and one-half cents per kilowatt hour; that the cost of distribution is one and one-half cents, and that therefore three cents is a fair price to the consumer with a fair profit to the industry. He argues that all above this is an excess charge. To a layman it is difficult to see how a manufacturing *cost* plus a distribution *cost* makes a selling price that will show a profit.

Mr. Cooke says previously that the one-and-one-half-cent current cost "includes return on invested capital." But how long is *that* piece of string? How much of a return? Savings-bank interest? Or enough to provide for research, extension of facilities, taxes and the multitudinous legitimate operating costs of any industry?

The second query deals with the matter of public plants. He should make it clear (if it is true) that these public plants are not like the barge company that the federal government operates on the Mississippi, which is supposed to demonstrate to private capital that it is a profitable venture, but which also is supposed to pay no interest on a $12,000,000 investment—and, of course, no taxes, insurance, or, I think, depreciation. Or that the Ontario rate is not like the five-cent subway fare in New York—made possible only by taxes.

There is no question but that the merchandising and distribution end has been neglected, because the industry from its inception has been dominated by production-minded and financial people. It is also probably true that a more enlightened policy of distribution would be good for the utility and the public alike. But it would seem as if Mr. Cooke's argument would be strengthened by a little more detail on the subjects of private-company costs and comparative costs as between private and public companies.

New York City. W. A. MCDERMID.

SIR: Evidently Mr. McDermid and I have the same objectives in view. To accomplish them we need more light on electric costs than is anywhere available. Hence the insistence that the electrical industry should practise cost-finding, especially as to distribution, which is claimed to be controlling in retail rates. Both transmitted current and distribution costs as used in my article covered expenditures for all known purposes, including at least a 7-percent return. Any factual inquiry—if and when it becomes possible—will show that my estimates on the whole favored the private interests involved.

Electric service in the municipalities of Ontario does not receive a penny on the tax levy. Some of the other details asked for will be forthcoming at the Institute of Public Engineering devoted to distribution costs, to be held January 20 at Hotel Pennsylvania, New York City, under distinguished public auspices.

MORRIS LLEWELLYN COOKE.

Philadelphia, Pa.

Promising Vitalists

SIR: In your issue of January 11, Mr. Horace Gregory concludes his article on the first Biennial Exhibition at the Whitney Museum with the amazing statements that "the time for groping is over" and that "the increasingly liberal spirit is a state of mind which hinders the growth of standards and principles."

What standards, by which to judge a work of art, does Mr. Gregory refer to? Does he mean speed, dynamos, radio cities, airplanes, vastness, skyscrapers, so-called up-to-dateness and other ephemeral fads of technical methods destined like all modes to gradual but certain demise?

Is he quite sure that what he calls *American* must be the exclusive subject matter of an artist because he abides in our land? It seems to be the hopeless burden of his short essay, and I must say that he is not alone among critics in his erroneous belief.

Mr. Gregory says that it is the technician, not the "promising vitalist," who saves the show from failure.

All good artists must necessarily be good technicians. They study their means unceasingly to make them adequate for the expression of their ideas. These ideas depend invariably on the vitality of their impressions, and, if they are adequately stated, on the vitality of their expression. Therefore the "vitalist" quality

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is a much more important factor in the artist than what Mr. Gregory glibly calls the technician.

A painting that appears to be "shot from overhead," that borrows its being, in ever so slight a degree, from movie technique, as Mr. Gregory describes "Americana," by Sheeler, is none the better for that fact, nor is a painting by Blume which reminds Mr. Gregory of early Flemish painting; nor do color values, whatever they may be, give conviction of vigor and strength in art (so Mr. Gregory does like some vitality after all).

Many pictures in the show, says Mr. Gregory, are evidence of a surrealist invasion. And why, pray, should we over here, why should our American painters and critics, hail a surrealist invasion or any other foreign cult, dealer or critic-made fads, and pat ourselves on the back, if we have assimilated this alien nourishment?

No, no, Mr. Gregory. All the great artists have groped long and patiently and will go on groping; and there are no "standards" to be killed by a too liberal spirit and very few principles. These latter are fundamental and do not change.

Nobody can gainsay the desire of an artist to use as his theme "American emptiness in the harsh glare of an electric lamp clean wrapped in cellophane and labeled New York," but he had better put his technique to work on something less external, more permanent and fundamental emotionally.

Not brilliance, precision or novelty are the hallmarks of art, but the concrete presentation in some form chosen by the artist of the vital element of life transcribed in an emotional non-scientific language, a message stated in vital unaffected terms to which the unsophisticated may also react.

A good work of art is never synthetic. It "gropes" its way out of a quite sincere artist into being. It is not enhanced by the stamp of locality or nationality, for it may be born today—as it has been born through all the ages—in any land.

Astoria, N. Y. ALBERT STERNER.

Veblen and Howard Scott

SIR: A sentence in Harold Ward's "In Defense of Technocracy" [The New Republic, January 11] may lead to an unfair misunderstanding. Mr. Ward says that "The Engineers and the Price System" was written by Thorstein Veblen *"as a result* of many long discussions with Scott twelve years ago." Hanging in the air like that, the statement carries with it the imputation that Veblen couldn't have written the book without Scott's aid and stimulus. But the distinctions between industry and business that give "The Engineers and the Price System" its basic value are all in Veblen's "The Theory of Business Enterprise," published in 1904, and are, indeed, implicit in "The Theory of the Leisure Class" (1899). Veblen's amazing insight deserves better at the hands of Mr. Ward. If Technocracy proves to be a bubble, there is a danger of Veblen being pricked with it—which would be a real misfortune.

Oil City, Pa. VEBLENITE.

Our Dry Heaven

SIR: I take it that Upton Sinclair, when he says "After Prohibition—Hell," means after the repeal of prohibition. Does he also mean "Before (repeal of) Prohibition—Heaven?"

Billings, Mont. W. G. RICHARDS.

What Price Technocrats?

SIR: The most plain-spoken critical analysis of Technocracy I have yet seen seems to be Mr. George Soule's article in The New Republic of December 28. It would be worth while to print Mr. Soule's article in a pamphlet and distribute it widely to all those who are either bemused or discouraged by the energy charts of the Technocrats.

A good title for the pamphlet would be, to my mind, "Technocrats for Sale," because, as Mr. Soule clearly points out, you can't change the price system without at the same time changing the economic system under which it thrives. "Who is going to bestow power on the engineers?" asks Mr. Soule. Apparently this is the crux of the problem and indicates that the energy engineers, perhaps without being entirely aware of it, are for sale. Certainly their cartography can be adopted by capitalist tycoons, communists or socialists, and a good many of the unemployed—and unemployable—among 300,000 engineers in this country may thus find themselves holding down good jobs.

I would like to ask Mr. Soule if he really believes in the actual existence of that comfortable myth "the business cycle"? Has anyone accurately foretold the nature and extent of any business cycle, and also the date? Or isn't it rather like a child who is afflicted with the whooping cough? We know that he has the whooping cough, but we cannot tell exactly when the next attack will occur, how long it will last and how many râles there will be in the attack.

PIERRE LOVING.

Rye, N. Y.

[The business cycle is no myth, though it has no such regular periodicity as an astronomical or physical curve, which renders accurate prediction possible. The business cycle is, of course, a phenomenon definitely associated with the business economy; that is the reason for the name. We can, I believe, abolish it, but only by substituting some different way of regulating affairs for business profit-making and competition.—G. S.]

Call Out the Marines

SIR: Your constant reader notes that France has defaulted. When will Secretary Stimson send the Marines to take charge of customs?

HARRY BERNSTEIN.

New York City.

Memorial Life of Anna Garlin Spencer

SIR: The Anna Garlin Spencer Memorial Committee sends out a request for letters, clippings and other material relating to the late Anna Garlin Spencer. I shall greatly appreciate loans of material which will contribute to a fuller knowledge of Mrs. Spencer's active career which lasted from 1870 to 1931. Address me at Teachers' College, Columbia University, New York City.

BENJAMIN R. ANDREWS,
Professor of Household Economics.

New York City.

Shock Troops of Peace

SIR: Any organization that unites the war resisters of fifty-four countries in a world movement; that maintains affiliated sections in twenty-six countries; that carries on correspondence in fourteen languages; that holds regular international conferences under enormous difficulties; that rescues or relieves from persecution, through worldwide protests of intellectuals and workers, many obscure but pioneering rebels against military autocracy; that has obtained the coöperation of Einstein, Wells, Rolland and numerous renowned figures; and that does all this, year in and year out, on what is probably the lowest budget of any movement in the world in proportion to actual achievement—£1,000 annually—deserves to keep on with its indispensable work.

But the members and groups of the War Resisters' International in many lands are struggling against conditions incredibly worse than those faced by adventurous groups in the United States, hard as our own situation often is.

On behalf of the Western Hemisphere Committee of the War Resisters' International, with members from most American pacifist bodies, this appeal is addressed to Americans who abhor war, and who have an opportunity to sustain those in various countries who can oppose war uncompromisingly only by coming into immediate conflict with ruthless militarism and conscription. . . .

Contributions large or small may be sent (preferably) direct to Arthur Ponsonby, Chairman, War Resisters' International, 11 Abbey Road, Enfield, Middlesex, England; or to the undersigned, who will forward them promptly.

DEVERE ALLEN,
Chairman, Western Hemisphere Committee
War Resisters' International.

Wilton, Conn.

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Ticker Tapeworms

The Modern Corporation and Private Property, by A. A. Berle, Jr., and Gardiner C. Means. New York: Commerce Clearing House. 409 pages. $4.50.

THERE may have been a better book than this published in 1932, but I did not see it. By "better" I mean more significant, clearly organized, lucid, scrupulously documented. It is seldom one finds such epoch-shattering material clothed in such scholarship.

It fixes the place of the great corporation in American economic life as it has never been assessed and fixed before. In fixing it, the place of the stock market swings into focus, the investor, the management, the "control" and, most important of all, the alarming revolution in the whole concept of private property. The Fourteenth Amendment to the Constitution still stands on the books, but if Messrs. Berle and Means are right, it is law from which reality has fled, or is rapidly fleeing. The day by day behavior of two hundred mammoth corporations has put it on a greased slide. It is not too much to expect, in face of such exquisite evidence as this, that even the Supreme Court may become aware of the fact in another decade or two.

Mr. Means, the economist, begins the book with a statistical gallery of our two hundred finest—the blue chips of the late new era. All the relevant facts about them are set forth with care and lucidity. In articles printed elsewhere by Mr. Means, we have had a glimpse at his gallery, but here one finds the full-length portraits. The blue chips own one-half the corporate wealth of the country. Do the stockholders of the blue chips own them? In theory, but hardly in fact. Mr. Berle, the lawyer, takes up the story and devotes the last half of the book to the legal status of the millions of stockholders, and of the 2,000 gentlemen who "control" these astronomical properties. When he ends his closely reasoned and documented analysis, there is little left of either definitive ownership or control. The stupendous assets swing in a sort of legal vacuum, not really owned by anybody, not really controlled. They have thrust their great shoulders out of nineteenth-century concepts of property. They have crashed through the law as a bear breaks through morning cobwebs; and with the same blundering blindness. They have not flouted the law—save here and there in detail—they have simply grown too large for it altogether:

> Corporations have ceased to be merely legal devices through which the private business transactions of individuals may be carried on. The corporation has, in fact, become both a method of property tenure and a means of organizing economic life. Grown to tremendous proportions, there may be said to have evolved a "corporate system"—as there once was a feudal system—which has attracted to itself a combination of attributes and powers, and has attained a degree of prominence entitling it to be dealt with as a major social institution.

On January 1, 1930, our two hundred largest non-banking corporations possessed gross assets of eighty-one billions of dollars—49 percent of all corporate wealth; 38 percent of all business wealth; 22 percent of all national wealth. Fifteen of them were in the billion-dollar class; the American Telephone and Telegraph Company leading the list with gross assets of $4,228,000,000. These companies have been growing more than twice as fast as all other non-financial corporations, controlling an ever greater proportion of the national wealth. It is all but impossible for an American citizen to perform the simplest act—eat, sleep, read, communicate, move—without becoming involved with the products or services which they dispense. They are warp and woof of the national life.

Much of their output, furthermore, is produced for use and not for sale, in that they are suppliers to the manufacturers of end products. Thus it is to the advantage of the Telephone Company to obtain the best possible vacuum tubes from the Western Electric Company. This factor is operating steadily to decrease the normal tendency toward shoddy, quick replacement goods. This is cheery—though not immediate—news for the ultimate consumer. The development may reach him in time.

These vast companies have changed the nature of capital. It is no longer composed, in many cases, of tangible goods, but of functioning organizations. "Even the value of tangible goods tends to become dependent upon their organized relationships to other tangible goods composing the property of one of these great units." Particularly interesting to me, as an accountant, is the fact that the balance-sheet valuation of physical assets is fast losing meaning. They have value only *if the company continues to function.* In liquidation, they are likely to foot up to so much junk. Years ago when businesses were small, if they fell into difficulties, there was a market for a factory building, a loom, a store, simple inventories. The assets had value in themselves. If the A. O. Smith Corporation should fall into difficulties, its glorious automatic frame mill, which cost many millions, would bring, I suspect, scrap-iron prices, unless the buyer wanted to *operate* it. This distinction is one which accountants have tended to overlook. Books are kept on the assumption that we are still living in Adam Smith's days of petty traders.

In 1900, sixty-two billions of corporate stock was owned by 4,400,000 holders—including *all* corporate issues in the country. In 1928, ninety-two billions of corporate stock was owned by 18,000,000 stockholders. Average holdings fell from 140 shares to 51 shares. Small holders have thus been proliferating. "Ownership has passed from the managing few to the investing many." Of all the 1929 dividends 26 percent went to people with incomes of less than $5,000; 50 percent to people with incomes of less than $25,000. The corporate system has been drawing to itself not only a large but an increasing percentage of the national savings. Meanwhile ownership, in becoming dispersed, has become *passive.* The share owner no longer controls the physical property or admits any responsibility for it. He is powerless to affect it. He has a piece of paper and a set of expectations. The spiritual values of ownership are gone. Those satisfactions of *doing something* with one's land, one's houses, one's horses, one's tools—satisfactions quite apart from revenue—have evaporated. Property is no longer an extension of one's personality. It is a ticket, and contact with a ticker, from which the stockholder must wring what human compensations he may. Even as the industrial revolution deprived the worker of interest in his job, the great corporation has deprived the owner of interest in his property.

He cannot control the "control" of the company in which he owns stock; he cannot control a sensitive and capricious stock market. "Value" thus comes to depend upon the vagaries and manipulations characteristic of the market-place. Value not only fluctuates constantly but is subject—through the stock market—to constant appraisal. Wealth has become extremely liquid. It can be converted into other forms of wealth instantly. Sell Steel; buy Coca Cola! Only through sale in the market can the owner

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obtain direct use of his wealth. *He is thus tied to the market as never before.* At last one can understand the transcendent importance of the stock market in the modern corporate system. It is the wheel around which the new concept of property revolves.

"Ownership of wealth without appreciable control and control of wealth without appreciable ownership appear to be the logical outcome of corporate development." The first clause is proved with a wealth of citation and evidence. In a sense it does not need to be proved. How much control do your 25 shares of Steel Common net you? How regularly do you send in your proxy; and what good does it do you if you send it? A proxy, according to our authors, is not a means whereby an owner controls his property, but a means whereby control is taken away from him. The second clause is readily proved in the following figures for the two hundred largest corporations:

Control by self-perpetuating management...	44%
Control by legal device[1].....	21
Control by minority interest.....	23
Total control without majority ownership.	88%

In brief, 88 percent of these companies are controlled by persons other than their owners. In some cases the control actually owns a substantial block of stock; in other cases a qualifying share or none at all. What is control? The increasing number of unorganized stockholders and their dispersion "almost necessarily implies a mediary group—analogous to a political boss. Such groups have appeared; they are called by the financial community 'control.'" The trend of control is toward self-perpetuating management groups—which in 1930 accounted for 44 percent of the two hundred companies. "It will remain outside the normal cognizance of the law."

Control is answerable to God alone. Its interests may be—and frequently are—diametrically opposed to those of the impotent owners of the property. "Profits at the expense of the corporation become practically clear gain to persons in control, and the interests of a profit-seeking control run directly counter to the interests of owners." Sometimes this goes so far as to wreck the enterprise, *e. g.*, the Chicago and Alton Railroad, the Pere Marquette, the Rock Island, the New Haven and the 'Frisco. More frequently it takes the forms of shifting profits from parent to subsidiary companies in which the control has a large interest; in diverting profits from one class of stock to another; in "inside information" enabling the control to buy low from present stockholders and sell high to future stockholders; in the issuing of misleading financial statements; in juggling of books, primarily in the accounting for depreciation and capital outlays; in amending the corporate charter. Practically the only curb on control in this connection is that created by the future necessity of obtaining more money from stockholders through subscriptions to new issues. A company which flouts stockholders too outrageously may have difficulty in raising fresh capital. Even when personal profit is not the dominant incentive of the controlling group, it may damage stockholders by paying high wages, maintaining good working conditions, or improving the quality of the product above the line of maximum return. The owner is thus likely to lose out whether the control is selfish or professionally altruistic.

Industrial enterprise is made up of three main functions: (1) Ownership of the property, (2) power over it, (3) work in respect to it. The pre-machine owner-worker possessed all three functions, as do many farmers today. The industrial revolution early combined ownership and power in one person, the entrepreneur or capitalist, leaving the function of work to the new proletarian class, which owned nothing and had no voice in directing operations. Now comes the great corporation to drive a wedge between owner and manager. Thus property has come to be an entirely different sort of thing, and ownership an entirely different sort of function. (It is interesting to note that Marx wrote his great treatise before this final split had taken place.)

In what a splendid impasse this lands the rugged individualists! Consider it calmly. If the hope of profit is still to be considered the holy gunpowder of progress, the only group with power to use the incentive is the "control." In so far as they esteem personal profit above everything else, these few hundred men, dominating half of industry, line their own pockets at the expense of the consumer, the worker, the community *and the owner.* The alternative, under the classic doctrine, is to give the owner more power over his own property, so that the profit motive will operate more effectively through him. Many well meaning reformers are agitating for uniform accounting, more truthful reports, curbs on the use of "inside information." But Mr. Berle proves beyond all argument the folly of trying to force eighteen million irresponsible stockholders back into the entrepreneur psychology of a century ago. They have passed through that stage and cannot return. Better reporting will not reverse the clock.

Where, gentlemen, does this leave us? The owner has all but surrendered control, the "control" cannot claim all profits over a "conventional return" without shattering the conception of private property, and without the grave danger of damaging, if not wrecking, the enterprise itself. Witness Mr. Samuel Insull. Fortunately there is a third alternative. These great properties are rotten ripe for collective ownership and management. Where owners refuse responsibility, and where control cannot be trusted, the community must sooner or later step in—for on the smooth functioning of two hundred corporations, our community life depends. The community has been placed "in a position to demand that the modern corporation serve not alone the owners or the control, but all society."

> The rise of the modern corporation has brought a concentration of economic power which can compete on equal terms with the modern state—economic power versus political power. The state seeks in some aspects to regulate the corporations, while the corporation makes every effort to avoid such regulation. Where its own interests are concerned, it even attempts to dominate the state. The future may see the economic organism, now typified by the corporation, not only on an equal plane with the state, but possibly superseding it as the dominant form of social organization.

Such is undoubtedly the trend. Observe that it is not quite the trend prophesied by Marx. The bulbous capitalist is at the mercy of either a rapacious or an admirably professional inner group—often owning nothing but brains and a claim to high salaries. Unless the state forces its creature, the corporation, to serve community needs, we are faced with a new brand of feudalism, in which the owner suffers with the worker and the consumer. As the depression drags on, however, the blue chips lose their Olympian assuredness; the state is forced deeper and deeper into

[1] Including pyramiding, non-voting stock, stock with excessive voting power, voting trust.

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economic activity. The third choice may be in nearer prospect than Messrs. Berle and Means suppose. It might just be that some of the more professional of the controlling groups would welcome the change. It would at last give them opportunity to operate their beautiful machines on the principles of sound engineering and the balanced load. STUART CHASE.

Five Recent Novels

The Bulpington of Blup, by H. G. Wells. New York: The Macmillan Company. $2.50.

The Colored Dome, by Francis Stuart. New York: The Macmillan Company. $2.

Never Ask the End, by Isabel Paterson. New York: William Morrow and Company. $2.50.

The Last Adam, by James Gould Cozzens. New York: Harcourt, Brace and Company. $2.50.

Public Faces, by Harold Nicolson. Boston: Houghton Mifflin Company. $2.50.

AROUND Christmastime the publishers declare a moratorium on new books, to give the booksellers a breathing space, a chance to get rid of the year's accumulated trash. And now they begin again, cluttering up the shelves with new masterpieces. The publishers think, or think they think, or say they think, that only good books are being published these days. Some of the lavish recklessness has gone out of their gambling spirit; they are being mighty, mighty careful what they take a chance on now. This enforced caution has its negative, Coolidgean virtues: nobody can deny that if fewer books are published, there will be fewer bad books. The situation has been improved by making the situation a little smaller. By the fact of their publication, the books listed at the head of this page are guaranteed as above the minimum standard set by the depression. But in Literature (our fancy name for "books") as in Life (our fancy name for "today") we look for leaders. There are none in this lot.

Once upon a time H. G. Wells was an exciting writer. Perhaps that was when we were adolescents. He excites very little nowadays except uneasy reminiscence. His novels, which have become more and more like hurriedly written letters, posted quickly before he repents, have culminated in a book which reads like a parody on himself. His bounding, garrulous enthusiasm, which was always refusing to stay put in the symbolic frame of a novel and kept bursting out into pamphleteering passages and finally into two-volume pamphlets, has almost ceased to be communicable. Never a neat writer, he is now just messy. "The Bulpington of Blup" is a didactic satire, its text the old Wellsian axiom that Science is Truth. As ruthlessly, if not quite as crudely as Upton Sinclair, Wells divides his characters into the sheep and the goats. The goat this time is his hero, Theodore Bulpington, a horrible example of a literary dilettante who, by turning his back on Science-Truth, sinks lower and lower in the human scale, loses love, reputation and honor, and ends up as a middle-aged, drunken, self-deluded liar. Here is a description of young love, in Wells's latest vein: "He was pleased and excited to find that he could weep with passion. He had never wept with passion before. Could she resist that? He implored in a great voice, a kind of mooing roar. *'Give* yourself to me, Margaret. Give yourself now. Give yourself and save me from what I am. . . .'" This is satire, of a slapstick kind, but the embarrassing effect is more deeply satirical than Wells intends: it includes the author.

Wells is not a serious novelist, but Francis Stuart is. Whereas Wells's meaning is too small for the framework he puts it in, Stuart's meaning strains the jerry-built structure of "The Colored Dome" almost more than it will stand. It is only his passionate intentness in telling it that saves his story from being ridiculous. Tulloolagh McCoolagh (not quite the name for a tragic heroine, is it?) is the secret leader of the Irish Republican Army. Few know her by sight, and of those few not one suspects that Tully McCoolagh is a woman. Garry Delea, a sport-about-Dublin with immortal longings in him, is given a chance to die for the Cause, with Tully. He jumps at it. In Mountjoy Prison they are put in the same cell, to wait for dawn and the firing party. Tulloolagh shows Garry she is a woman, and gives herself to him. Now he is not quite so ready for death. As a further anticlimax they are released. Nothing stands between them and a happy ending but Mr. Stuart's purpose: the I.R.A. has been disbanded, Tulloolagh (who has a nice little place in the country) need no longer slink about like the Scarlet Pimpernel, and she and Garry are in love. Well, Garry gets drunk, breaks a date with her and lands in jail again. He forswears love, and dedicates himself to his tragic fellow men. Tulloolagh understands. Mr. Stuart clears obstacles of fact and probability in his stride, as if they simply weren't there. And it must be admitted that he almost convinces us, for the time being, that they are *not* there. "The Colored Dome" is Mr. Stuart's second book. It is really not much more than a gesture, but it is impressive to watch.

Miss Paterson's "Never Ask the End" is a gesture of a different kind: a farewell to youth—a very feminine, sly gesture, like a sidelong, quizzical glance. No heroics or sentimental piffle; just skeptical reminiscence and now and then, to avoid all appearance of tears, three jeers from common sense. An intricate, mazy chasing of old devil sentimentality around the bush. Three friends, Marta, Pauline and Russ, meet in Paris after many years. They knew each other well in the early days, in the Middle West, when their lives were just beginning; since then, Marta has been divorced, so has Russ, Pauline's husband is dead. Russ has a good job with an American firm in Antwerp, and he squires Marta and Pauline around Belgium. When the triangle is reduced to a straight line by Pauline's departure, Russ and Marta go on searching for their youth by playing at being in love, but both of them are thinking of something else most of the time. They part with quiet affection: they are too sensible and resigned to be tragic about it. When you are first introduced to them and their unexplained intimacy, you feel a little awkward about being present, but gradually, in fragments of conversation, in unspoken soliloquies, they tell you almost everything about themselves you would like to know. This retroactive way of telling a story, though it is very convenient for Miss Paterson's changing-trains-of-thought style, and though it bears the endorsement of such writers as Proust and Conrad, is a little wearing on the reader. "Never Ask the End" is a much more competent piece of writing than the average novel, it is too salty to be boring, it has obviously been worked over with great care, and leaves you feeling rather worn.

If entertainment is what you are after, "The Last Adam" is the little number you are looking for. Mr. Cozzens' tale of a Connecticut village whose inhabitants are despised, bullied and dosed by old-fashioned Dr. Bull is as fascinating as gossip—which is what it is. You listen in to the gossip's fountainhead, the local telephone exchange, you overhear family scenes, you watch old Doc Bull at his clandestine love-making, Henry Harris at his

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political machinations. Nobody likes to be openly despised, and there is a growing resentment against old Doc Bull, which an outbreak of typhoid brings to a head, giving his enemies an excuse to plot his overthrow. The climax of the town meeting is as exciting and satisfactory as the happy ending of a good movie. Mr. Cozzens will have to be classed with Mr. Wells as a non-serious novelist (Miss Paterson is at least half-serious). Already he is beginning to remind people of Kipling. He has not burst forth, as Kipling did, full-fledged; but he has shown the same flair for making a plain tale melodramatic, the same fatal inability to make a plain tale true.

Harold Nicolson's "Some People" (an even worse title than his latest) was a great deal funnier and better than "Public Faces." Both books might be considered satires on diplomacy, but "Public Faces" is so over-ingeniously labored that it is very much too much of a good thing: almost as if George Moore had written a Broadway burlesque. The plot, which swings from farce to melodrama and back again, is strung together with a meticulous insistence on detail that finally grows wearisome. The story is all about a big world-war scare, and how the English Foreign Secretary's course of charming vacillation was rescued from disaster just in time by the impudent but competent interference of two bright young underlings. Mr. Nicolson has a lot of fun with his diplomats, their solemnly silly notes, innuendoes, blunders and face-saving accidents. Even if you don't take his satire seriously he has a lot more fun than you do.

T. S. MATTHEWS.

Here Are the Facts

War Debts and World Prosperity, by Harold G. Moulton and Leo Pasvolsky. New York: The Century Company. 498 pages. $3.

IF ANYONE attempts to discuss the war-debts problem in the Senate, the House of Representatives, the newspapers, the lecture hall or the dining-room, someone ought to stop him with the question: "Have you read 'War Debts and World Prosperity' by Moulton and Pasvolsky?" If he has not, an immediate and indefinite moratorium should be declared on the discussion. For here is the authentic history, here are the statistical facts, here is the economic interpretation. There may be someone who, knowing this history and these facts, and cognizant of this interpretation, can make a good case against cancellation; anyone who wants to attempt it ought to be given the opportunity. But there is no longer any good reason, when knowledge is available, for discussion of so important a subject to be based on ignorance or prejudice.

The authors put two questions in their first chapter: (1) Would a complete obliteration of all reparations and inter-Allied war-debt obligations promote, or retard, world prosperity? (2) Would collection of these inter-governmental debts be economically beneficial to the creditor countries? As a groundwork for deriving the answers to these questions, they recount in detail the origin and character of the war debts, the early negotiations concerning them after the War, the American debt settlements, the intra-European debt settlements, the origin of the reparation settlements and the various subsequent adjustments such as the Dawes Plan and the Young Plan, the attempts at debt and reparation fulfilment, the breakdown of 1931, the moratorium arrangements, the Lausanne settlements. They discuss the economic principles involved in international payments, the fourteen years of debt policy since the War, the creditors'

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willingness to receive payment, America's interest in the war debts, and the relation of the whole matter to world prosperity.

Virtually all the truly relevant nubs of the common discussion are here authoritatively treated in one place or another. Were the debts incurred for war purposes or not? How were the proceeds spent? How can payment from one nation to another be made? Why cannot Germany and France pay, just as America repaid the foreign investments made here in the last century? What was the real necessity for the Hoover moratorium? What bearing did the Hoover-Laval conversations have on the Lausanne agreement? Can America prosper without buying and selling abroad? Did Germany cheat us by borrowing so much money during prosperity? How much actually has been paid? Nine-tenths of the wordage usually spent in discussing the problem would be saved if the discussers would first take the trouble to familiarize themselves with enlightened economic opinion about these matters.

As a result of their thoroughgoing treatment, the authors conclude that complete obliteration of these obligations would promote world prosperity, and that collection of the debts would not be beneficial to the creditor countries. Cancellation would not, of course, be enough to restore prosperity, but it would help. The arguments for these conclusions, so many times repeated in The New Republic, need not be summarized here; those who want to examine them again, and in fuller detail, are referred to the book. So overpowering is the combination of facts and logic that it is difficult to see how anyone could disagree unless he were either ignorant of them or incapable of understanding them. At any rate, nobody has yet provided a competent reply.

GEORGE SOULE.

Chesterton on Chaucer

Chaucer, by G. K. Chesterton. New York: Farrar and Rinehart. 320 pages. $2.50.

FOR A WONDER the jacket of this book is singularly appropriate. In the foreground, draped in the mantle of his calling, sits the Modern Bard, with pen poised and awaiting inspiration. In the middle distance is a skimpy procession of nine Canterbury Pilgrims (four on foot), the Wife of Bath recognizable by a pseudo-Elizabethan hat. In the background a tenth Pilgrim rides frantically out of a castle not Rochester, to overtake the others. The whole is framed within a broken Roman arch, sprouting foliage. The portrait of the Modern Bard is good. And there you have the book.

But a poised pen draws no facts; and without facts inspiration leads to the thesis "that it is possible to know" Chaucer "without knowing anything about him." The question is whether such knowledge is worth having. Background all wrong, the Wife in a hat she would have disowned—what do such slips matter? *Oyez, oyez, oyez,* Chaucer was a great poet. Mr. Chesterton has discovered him. He is discovered and set within the Arch of Rome, and graced with the boughs and blossoms of an exuberant fancy.

It is a beautiful picture, designed to illumine not merely the Common Reader but also the "small and serious" critics who blindly pile fact on fact and understand nothing. Such persons might say "Tut!" at the transfer of Chaucer's allusion to his "reckeninges" from the "Hous of Fame" to the "Legend"—but such objection is piffling. They might even say "Tut! tut!" at the amazing idea of Gower's daring to call Chaucer his "clerk" (read it again, Mr. Chester-

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ton); but high theory overrides a small thing like that. Blind as they are, they know that it is the wily Cock—not the grave Poet—who transmutes *"Mulier est hominis confusio"* into "Womman is mannes joye and al his blis" for the poor little Latinless Hen. And even the blindest of these poor creatures—I mean, critics and professors—has chuckled over the "admirable irony" of Chaucer's allotment of Sir Thopas to himself. It is a thing which, as an eminent Victorian put it, every schoolboy knows.

But these numerous errors of fact and misreadings of the text and rediscoveries of stale truths would not matter if from the poised pen there came a living portrait of Chaucer as he was or an intensified understanding of his work as it is. But to interpret the truth, we must know the truth; and the truth is as complex as life itself. Can it be divined? Or, as a keen young student asked lately, "Does all this research make Chaucer more alive?" If not, it should be scrapped. But it is precisely the spade work of these "small and serious" critics that is opening up the buried Middle Ages, in the darkness whereof Mr. Chesterton still walks with his candle, musing. In the growing light of modern research, Chaucer emerges a living man in a living world—but not the Chaucer or the world of this book.

Impossible to tell briefly how the figure and the scene are distorted. Take only the two or three instances there is space for here. Was Chaucer merely "a good hard-working official" in the Custom House? Indubitable records show that he was the actual, responsible executive during the long years when his chiefs were busy with the finances of the government. Was he in any sense a supporter of Wyclif? Was he an orthodox Catholic? Bold would be the scholar who had read his text well, who would dare to answer categorically either question. And where is your pedant today who would presume to defend Chaucer for being "as some would say, a plagiarist"? Only one ignorant of the medieval theory of writing would attempt that bit of patronage.

On almost every page the picture of Chaucer is wrong—half-drawn, falsely colored, distorted. In one fundamental aspect, and one only, Mr. Chesterton is right: Chaucer is great—too great to be misinterpreted by a naïve modern journalist who admits that he knows nothing about him. The building-up of knowledge goes slowly, and many laborers see little but the bricks. Yet without such labor and the understanding that is founded upon it, all interpretation is but a play of fantasy. Mr. Chesterton has not told us anything about Chaucer or his times. But he has given us another amusing portrait of himself. EDITH RICKERT.

Book Notes

HISTORY

THE GREAT AMERICAN LAND BUBBLE, by A. M. Sakolski. *New York: Harper and Brothers. 385 pages, illustrated. $3.50.*

Early critics of American life and social customs, such as the Englishman, Priest, and the Frenchman, de la Rochefoucauld, characterized this country as "the land of speculations" as long ago as 1796. Professor Sakolski gives less an organized account of the history and process of speculation in land than a picturesque chronicle of salient episodes, and realtors no less salient, from Washington, Robert Morris, Joseph Bonaparte and Madame de Staël, to Messrs. Van Sweringen, du Pont and Mizner of our own days. Nor does the author attempt any history of the deliberate, organized preëmption of the public domain by the railroads and other vested interests—some 1,048,000,000 acres belonging to the people of the United States in 1860, and equaling nearly half the total area of the country. Here would have been an opportunity to throw light

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on the social cost of such a procedure, and perhaps on Proudhon's theory of property *(le vol)*. To be sure, the facts of all this dubious business are not easily acquired because of the habitual modesty of the principal actors. Professor Sakolski's is one of the first documented studies in this field. His detailed account of Jay Cooke's "Banana Belt" in the Northwest and of the land-jobbing of the Northern Pacific ring is most valuable.

ISRAEL, by Adolphe Lods. *Translated from the French by S. H. Hooke. New York: Alfred A. Knopf. 536 pages. $6.*

This scholarly history tells of the pre-Hebraic inhabitants of Palestine, of the desert tribes which, by merging with the Canaanites, became Israel, and of the resulting divided nation, one part of which was destroyed and the other carried into Babylonian captivity. M. Lods spends only enough time on the traditional narrative to separate the "prosaic reality" from the "supernatural halo." He goes more fully into the life of these early peoples, although such institutions as sanctuaries, sacred prostitution and so forth are not described in detail. Greater space is given to the development of ethical ideas and morality. But the main emphasis falls on religion—in particular on the slow evolution from polytheism, through monolatry, to monotheism. Evidently M. Lods believes that Israel's monotheism, which was never adopted, at least in its pure form, by the West, is a greater contribution to the world than its morality, even though the latter still prevails.

THE MARCH OF DEMOCRACY. I: The Rise of the Union, by James Truslow Adams. *New York: Charles Scribner's Sons. 444 pages, illustrated. $3.50.*

The title of the two-volume series of which this is the first instalment is something of a misnomer, if by the march of democracy Mr. Adams means anything particularly different from the ordinary historical march of events. The book is a popular narrative of American history from the time of exploration and first settlement to the eve of the Civil War, cast in the main on accustomed lines save for the inclusion of more than the usual amount of reference to social habits at different periods and to literature, art and religion. The treatment is better for the colonial and revolutionary periods than for the first years of the Constitution, hostile to Hamilton's political methods and friendly to Jefferson, rather perfunctory in its account of party politics after Jackson's time, and quite unbridled in its denunciation of the Abolitionists. Aside from such obvious defects and prejudices, the book has real merit as a readable and useful popular summary. The profuse illustrations, most of them contemporary, set an especially high standard.

World Politics

GANDHI VERSUS THE EMPIRE, by Haridas T. Muzumdar. *New York: Universal Publishing Company. 352 pages. $3.50.*

The struggle of Gandhi against the British Raj is a phenomenon unique in history. If this effort to animate a social situation by the highest morality known to the individual proves even partially successful, it will be of incalculable value to the world in setting spiritual forces above political. In "Gandhi versus the Empire," Mr. Muzumdar has marked the stages of this conflict through the utterances of the leader in each crisis. The book is history in terms of a great personality.

CHINA YEAR BOOK, 1932, edited by H. G. W. Woodhead. *University of Chicago Press. 847 pages. $12.50.*

The editor of this volume, Mr. Woodhead, who is also well known as the editor of The North-China Daily News and Herald, the mouthpiece of British interests in China, is an avowed imperialist and a fountain of information on Chinese affairs. The "China Year Book," of which this is the fourteenth issue, bears witness to the social and political opinions of the editor as well as to his expert knowledge. The current issue contains much new material. In the eight hundred closely printed pages, the reader will find solid information on the political, military and economic activities of China, including among other things a summary of the Feetham Report on the Shanghai Settlement, a chapter on colonies, leased territories, concessions and settlements, special chapters

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on the climate of China and the Yangtze Flood of 1931, documents relating to the Japanese invasion of Manchuria and Shanghai, and a Who's Who containing nearly a thousand brief biographies of prominent Chinese, for the most part military leaders and politicians. The book is conspicuous for its absence of information on the growing revolutionary activities of the Chinese masses. It contains a detailed index.

TREATIES AND OTHER INTERNATIONAL ACTS OF THE UNITED STATES OF AMERICA, edited by Hunter Miller. *Washington: Government Printing Office. Vol. I: 202 pages, $1.25. Vol. II: 662 pages, $4.*

This is the beginning of a new treaty series published by the historical office of the Department of State. The first volume contains a valuable index of treaties, executive agreements and other important papers concerning foreign policy; the second volume prints the original text of our treaties from 1776 to 1818. The work conforms to the highest standards of scholarship, and the subsequent volumes will be awaited with interest.

Fiction

THE BRIGHT LAND, by Janet Ayer Fairbank. *Boston: Houghton Mifflin Company. $2.50.*

Mrs. Fairbank has written another book on the simple lines of "The Smiths," with the theme of migration more explicitly treated. Abby-Delight Flagg is brought up in the repressed atmosphere of her father's home in Peterville, New Hampshire. By the one adventure of her life, which makes her the wife of Stephen Blanchard, she is transported to Galena, Illinois, in the years of its glory when Chicago was a mud flat. The two strains of local color reënforce the two diverse types of character which are successfully incarnated in Abby-Delight and Stephen. The social life of the Middle West before the days of railroads, when the Mississippi with its river-borne traffic connected the region with the South more closely than with the East, is vividly recalled. Interwoven with the domestic chronicle of the Blanchards are public events marking the progress of the Anti-Slavery struggle and the Civil War, in which two of their fellow citizens, Lincoln and Grant, the latter a fellow townsman, bore a leading part. One may wish that Grant had been more neighborly, but the interest of the book is domestic, not historical, and the Blanchards are sufficient to sustain it.

Contributors

Robert C. Binkley, professor of History at Flora Stone Mather College, Western Reserve University, is at present Lecturer in History at Harvard.

Mervyn Crobaugh, Ph.D., was formerly professor of Economics at Washington and Lee University.

Lizette Woodworth Reese is the author of "A Victorian Village," "The York Road," "White April," her most recent book, and several other volumes of verse.

James Rorty is secretary of the League of Professional Groups and in his spare time is working on a book about the American mob-mind, using advertising and other related data.

John Peale Bishop, author of "Many Thousands Gone," "Green Fruit," and co-author with Edmund Wilson of "The Undertaker's Garland," has been living in France during the past few years.

Paul Rosenfeld, critic and novelist, is working on his second novel, his first having been "The Boy in the Sun."

Stuart Chase's latest publication is a John Day pamphlet on Technocracy.

T. S. Matthews, literary editor of Time and author of "To the Gallows I Must Go," is completing his second novel.

Edith Rickert, who lectures on contemporary literature at the University of Chicago, is the author of "The Old English Offa Saga," "The Reaper," "The Writing of English" and several other works of criticism and fiction.

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